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1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

-----x

3 UNITED STATES OF AMERICA,

4 v.

16 Cr. 467 ALC

5 NORMAN SEABROOK AND MURRAY HUBERFELD,

6 Defendants.

7 -----x

8  
9  
10 October 30, 2017  
11 8:54 a.m.

12  
13 Before:

14 HON. ANDREW L. CARTER, JR.,

15 District Judge  
16 and a jury

17  
18 APPEARANCES

19 JOON H. KIM,  
20 United States Attorney for the  
21 Southern District of New York  
22 KAN MIN NAWADAY,  
23 MARTIN S. BELL,  
24 RUSSELL CAPONE,  
25 Assistant United States Attorneys

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APPEARANCES (Continued)

BRACEWELL, LLP,  
Attorneys for defendant Seabrook  
BY: PAUL LEWIS SHECHTMAN, Esq.  
MARGARET EMMA LYNAUGH, Esq.  
Of counsel

MAZUREK LIPTON, LLP  
Attorneys for defendant Huberfeld  
BY: HENRY EDWARD MAZUREK, Esq.  
EVAN LOREN LIPTON, Esq.  
Of counsel

Also Present:  
BARD HUBBARD, Special Agent FBI  
YOLANDA BUSTILLO, Paralegal USAO  
AUGUSTA GRANQUIST, Paralegal

(In open court; jury not present)

THE COURT: Are counsel all here?

MR. BELL: Mr. Shechtman is here.

THE COURT: Counsel, the first thing -- everyone can have a seat -- the first thing is U.S. Attorney's Office contacted my Chambers this morning to see if my law clerk could let the witness who is on the stand up through a different door. I wanted to check with counsel to make sure there is no objection?

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1 MR. SHECHTMAN: None.

2 MR. MAZUREK: None.

3 THE COURT: We'll do that.

4 The next thing is to deal with the issues from Friday  
5 regarding the newspapers that were left in the jury room. I  
6 received, we all received a letter from Mr. Huberfeld's  
7 counsel. Counsel from the government or the defense, do you  
8 have anything else you wish to add?

9 I have thoughts. Counsel for the government and  
10 defense, any other thoughts on this?

11 MR. CAPONE: We do not object to asking the jurors  
12 those questions. You could ask them all the first question and  
13 then ask individually if there are any hands raised or you  
14 could just bring them out here separately, but we don't object  
15 to the questions.

16 THE COURT: Counsel for Mr. Seabrook?

17 MS. LYNAUGH: We are fine either way, your Honor,  
18 asking the first question generally or asking all questions  
19 individually.

20 THE COURT: Let me find out from Mr. Huberfeld's  
21 attorney so I am clear here, you have three questions posed  
22 here. You have the first question:

23 Newspapers were found in the jury room after court  
24 adjourned on Friday. Did you read an article about this case  
25 in any of those newspapers?

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1           Then you have the second question, if yes, in parens.

2           Then you have the third question:

3           Have you read any articles or news reports about this  
4 case since this trial began?

5           Have you heard anyone else discussing the articles or  
6 news reports about this case since this trial began?

7           The third question, do you wish me to ask that third  
8 question regardless of the first and second question, or is  
9 that only if there is a yes to the first question?

10           MR. MAZUREK: I think it is only if there is a yes to  
11 the first question.

12           THE COURT: Okay. Let me just let counsel know what  
13 my thoughts are on this and I will counsel a chance to respond.

14           I am fine as a purely theoretical matter in terms of  
15 asking that question. Here is what I am concerned about. I  
16 think we have got another couple of weeks of trial left maybe.  
17 There were I believe four newspapers left in the jury room,  
18 which means to me that there is either one juror who left, as  
19 few as one juror who left all four newspapers in there or as  
20 many as four jurors who left newspapers in there, but it seems  
21 that all 16 of the jurors, the 12 jurors and the alternate  
22 jurors left these four newspapers in there together.

23           What I am concerned about is the collateral damage of  
24 if we bring everyone out here individually and I still tell  
25 them as I normally would, don't discuss this with anyone else

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1 what we have discussed out here, they're all going to know that  
2 they're all brought out here to be asked about whether or not  
3 anyone read the newspapers, newspaper articles that were left  
4 in the jury room, and I am worried about jurors starting to  
5 feel animosity toward any particular jurors and starting to  
6 look at them sideways and feel a certain kind of way about  
7 jurors.

8           It may make sense, but I will do whatever counsel wish  
9 me to do essentially since there was quite a bit of newspaper  
10 coverage about this case over the weekend. It may make sense  
11 to ask that third question which I think covers the first  
12 question. If we ask them if they read anything about this case  
13 or heard anyone discuss this case, that also covers anything  
14 they might have read or heard about in the jury room without  
15 putting special attention on any of the jurors who might have  
16 left newspaper articles in the jury room.

17           And to avoid having this issue in the future, it may  
18 make sense to tell all of them not to leave any items in the  
19 jury room other than their notebooks because that may kind of  
20 alleviate us having to deal with this over and over again. My  
21 concern is that: One, one of my concerns is that newspapers in  
22 the context of where we are with technology may be in some way  
23 the safest way for jurors to get news about what else is going  
24 on in the world because if they see a headline regarding this  
25 case, then hopefully they will stick by their oath and they

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1 will ignore and it go to something else as opposed to the  
2 television, which it is harder to control when something gets  
3 mentioned about this case or even the internet if a juror was  
4 interested in just the mayoral election prior to this case  
5 starting, and a juror goes on the internet trying to buy some  
6 socks, it is quite possible there might be some "pop up"  
7 regarding this case or somebody's views about this witness and  
8 the like.

9 So those are my concerns. It may make sense to ask,  
10 if we are going to bring everyone out here individually, it may  
11 make sense to ask them that general question, Question 3 first  
12 and then later say something to them as a whole about not  
13 leaving items in the jury room. I don't think it is necessary,  
14 but I will hear from counsel, to try to instruct the jurors not  
15 to bring newspapers with them or not to read newspapers. I  
16 wouldn't be inclined to do that anyway.

17 Those are my thoughts. I will give counsel a chance  
18 to think about that and tell me what your thoughts are and I  
19 will do what counsel want me to do in.

20 MR. MAZUREK: My only concern about the particular  
21 news article that was located within the newspaper that we now  
22 know was inside the jury room, it had a particularly  
23 inflammatory and prejudicial aspect as to my client in the end  
24 of the article, talking about the current condition of Platinum  
25 Partners and that there is the ancillary proceeding in the

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1 Eastern District of New York against other members of that  
2 fund.

3 Obviously, if this was something that had been read or  
4 talked about within the jury room, I think it would be  
5 extremely prejudicial and unfair to my client that a member of  
6 the sitting jury would have read that or possibly discussed it.

7 That is why I am a little more concerned. I am more  
8 interested in having a more probing review of the jurors on  
9 this particular article because it was in the jury room, it did  
10 have this paragraph in the article which could have a really  
11 negative effect and shouldn't be obviously considered by the  
12 jury.

13 I generally understand and appreciate I think the  
14 court's general approach. I think individual voir dire of the  
15 jurors are important in this situation just because of the  
16 potential coercive effect of having, being in a whole group and  
17 being asked if you have done something or heard something that  
18 someone else did that may be against the court's instructions.

19 So I do urge the court to do individual voir dire. I  
20 think on balance, I would like to ask the specific questions  
21 about this article because of the potential prejudice it has to  
22 my client.

23 THE COURT: Just to be clear, I wasn't suggesting that  
24 I wasn't going to conduct an individual voir dire. I was  
25 suggesting we have an individual voir dire and perhaps we start

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1 with Question 3 because that covers that. I understand your  
2 concerns. If you want me to ask them Question 1 and then only  
3 if there is a yes answer to Question 1, go to Question 2 and 3,  
4 that is fine, we can do that. I want counsel to be aware of  
5 those potential collateral consequences.

6 Counsel for Mr. Seabrook, any thoughts on this?

7 MS. LYNAUGH: We are fine with that either way. You  
8 can ask questions either way, either ask Question 3 first or  
9 starting with Question 1 if there is a yes answer, proceed to 2  
10 and 3.

11 THE COURT: Counsel for the government?

12 MR. CAPONE: The same, your Honor, either approach is  
13 fine with the government.

14 THE COURT: So since counsel for the government and  
15 counsel for Mr. Seabrook are sort of agnostic on this, and  
16 counsel for Mr. Huberfeld want me to start with Question 1 and  
17 only proceed from there, we will do that.

18 Let me ask counsel, do you think it is appropriate for  
19 me, after we do the individual voir dire, what I would like to  
20 do is this individual voir dire with each of the jurors and get  
21 back to this trial and get back to the testimony.

22 Do counsel think it would be helpful for me to say  
23 something to the jury perhaps at the end of the day about not  
24 leaving items in the jury room or do you think -- I would like  
25 to avoid having to deal with this again because someone leaves



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1 some newspaper in the jury room, but I will listen to counsel  
2 on this.

3 MR. MAZUREK: I am fine with that instruction not  
4 leaving things, taking your personal belongings with you.

5 MR. BELL: So are we.

6 MS. LYNAUGH: That is fine, your Honor.

7 THE COURT: All right. Let's wait for the jurors to  
8 get here. What I would like to do is perhaps because this will  
9 take a while, to do this individual voir dire, this may take 30  
10 minutes to an hour to do this, is see if we can just start  
11 bringing jurors out here not necessarily starting with Juror  
12 No. 1 so we can start this and get this morning.

13 Are counsel okay with that?

14 MR. MAZUREK: Yes, your Honor.

15 THE COURT: I will be right back.

16 (Recess)

17 THE COURT: Counsel, one more thing. Are counsel all  
18 here? Okay.

19 Do counsel still want me to give a usual instruction  
20 to each of these jurors when we do the individual voir dire not  
21 to discuss what we discussed out here with anyone else?

22 MR. BELL: That sounds fine.

23 MR. CAPONE: Yes.

24 MS. LYNAUGH: That is fine with us, your Honor.

25 MR. LIPTON: Yes.

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1 THE COURT: So we are going to go ahead and start  
2 bringing jurors back.

3 (Juror No. 1 entered the courtroom)

4 THE COURT:

5 Q. Juror No. 1, please state your name for the record.

6 A. Joseph Roldan.

7 Q. Good morning.

8 A. Good morning.

9 Q. Newspapers were found in the jury room after court  
10 adjourned on Friday. Did you read an article about this case  
11 in any of those newspapers?

12 A. No.

13 THE COURT: Thank you. Please hand the microphone  
14 back to my deputy. Don't discuss what we discussed out here  
15 with any other jurors.

16 JUROR: I won't.

17 THE COURT: Thank you.

18 (Jury No. 1 left the courtroom)

19 (Pause)

20 BY THE COURT:

21 Q. Good morning.

22 A. Good morning.

23 Q. Juror No. 2, please state your name for the record.

24 A. Omar Delos-Santos.

25 Q. Newspapers were found in the jury room after court

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1 adjourned on Friday. Did you read an article about this case?

2 Did you read an article about this case in any of  
3 those newspapers?

4 A. No, sir.

5 THE COURT: Thank you. Please do not discuss what we  
6 discussed out here with any other juror, okay? Thank you.

7 (Juror No. 2 left the courtroom).

8 (Pause)

9 THE COURT: Tara, hold on a second.

10 So, counsel, I believe each counsel has at least two  
11 lawyers on this case. Here are the actual hard copies of  
12 newspapers in case counsel wish to inspect them so that we  
13 don't delay matters. What may make sense is for each counsel  
14 to designate one person from their team. You can use the  
15 robing room and look through these to make sure there is  
16 nothing else you want to address. Sound good?

17 MR. MAZUREK: Sounds good.

18 THE COURT: Here they are.

19 (Ms. Lynaugh, Mr. Lipton and Mr. Nawaday left the  
20 courtroom)

21 THE COURT: Bring in Juror No. 3, Tara.

22 BY THE COURT:

23 Q. Please have a seat. Juror No. 3, good morning.

24 A. No. 4.

25 Q. Good morning. Please state your name for the record.

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1 A. Aerica Miller.

2 Q. Newspapers were found in the jury room after court  
3 adjourned on Friday. Did you read an article about this case  
4 in any of those newspapers?

5 A. No, I didn't.

6 THE COURT: Don't discuss what we have discussed out  
7 here with any other juror, okay?

8 JUROR: Okay.

9 (Juror No. 4 left the courtroom)

10 (Pause)

11 BY THE COURT:

12 Q. Juror No. 5, good morning.

13 A. Good morning.

14 Q. Please state your name for the record.

15 A. Corinna Chau Ye.

16 Q. Newspapers were found in the jury room after court  
17 adjourned on Friday. Did you read an article about this case  
18 in any of those newspapers?

19 A. I didn't see anything.

20 THE COURT: Don't discuss anything that we have  
21 discussed out here with any other juror, okay?

22 JUROR: Yes.

23 THE COURT: Thank you.

24 (Juror No. 5 left the courtroom)

25 (Pause)

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1 BY THE COURT:

2 Q. Juror No. 6.

3 A. Hi.

4 Q. Please state your name for the record.

5 A. Kenneth Rubin.

6 Q. Good morning.

7 A. Good morning.

8 Q. Please just speak into the microphone.

9 Newspapers were found in the jury room after court  
10 adjourned on Friday. Did you read an article about this case  
11 in any of those newspapers?

12 A. I did not.

13 THE COURT: Please don't discuss what we have  
14 discussed out here with any other juror, okay?

15 JUROR: Okay.

16 (Juror No. 6 left the courtroom)

17 (Pause)

18 BY THE COURT:

19 Q. Juror No. 7, good morning.

20 A. Good morning.

21 Q. Please state your name for the record.

22 A. Scott Saunders.

23 Q. Newspapers were found in the jury room after court  
24 adjourned on Friday. Did you read an article about this case  
25 in any of those newspapers?

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1 A. Not at all.

2 THE COURT: Don't discuss what we discussed out here  
3 with any other juror, okay?

4 JUROR: Not at all.

5 THE COURT: Okay.

6 (Juror No. 7 left the courtroom)

7 (Pause)

8 THE COURT: Just one moment, Tara.

9 (Off-the-record discussion)

10 THE COURT: There are no other jurors out here,  
11 correct? Correct, counsel?

12 MR. BELL: Correct.

13 THE COURT: I have just been informed from the Jury  
14 Department that Juror No. 3 is -- hold on a second. (Pause) --  
15 I have been informed from the Jury Department -- hold on. Let  
16 me just check something.

17 (Pause)

18 THE COURT: Let's bring out the next juror, Tara.

19 BY THE COURT:

20 Q. Juror No. 8, good morning.

21 A. Good morning.

22 Q. Please state your name for the record.

23 A. Shanta Winns.

24 Q. Newspapers were found in the jury room after court  
25 adjourned on Friday. Did you read an article about this case

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1 in any of those newspapers?

2 A. No.

3 THE COURT: Don't discuss what we discussed out here  
4 with any other juror, okay?

5 JUROR: Okay.

6 (Juror No. 8 left the courtroom)

7 (Pause)

8 THE COURT: Tara, just hold off for a second. I  
9 wanted to give counsel to make sure I had the proper  
10 information.

11 The Jury Department called this morning, called my  
12 Chambers and informed us that juror Heywood Starks, who I  
13 believe is Juror No. 3, is in the emergency room. They didn't  
14 give us any other information. They wanted to call back to  
15 know how to proceed. I wanted to give counsel that  
16 information. That is the information. Counsel can think about  
17 that and we'll continue with this process while counsel think  
18 about how they wish to proceed in that regard.

19 Bring in the next juror, Tara.

20 BY THE COURT:

21 Q. Good morning. Juror No. 9?

22 A. Yes.

23 Q. Please have a seat and state your name for the record.

24 A. Aaron Samuels.

25 Q. Newspapers were found in the jury room after court

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1 adjourned on Friday. Did you read an article about this case  
2 in any of those newspapers?

3 A. No, I did not.

4 THE COURT: Don't discuss what we discussed out here  
5 with any other juror, okay?

6 JUROR: All right.

7 THE COURT: Thank you.

8 (Juror No. 9 left the courtroom)

9 (Pause)

10 BY THE COURT:

11 Q. Juror No. 10, good morning. Have a seat.

12 A. Good morning.

13 Q. Please state your name for the record.

14 A. Nida Soriano-Bartolome.

15 Q. Newspapers were found in the jury room after court  
16 adjourned on Friday. Did you read an article about this case  
17 in any of those newspapers?

18 A. No.

19 THE COURT: Don't discuss what we discussed out here  
20 with any other juror, okay?

21 JUROR: Okay. Thank you.

22 (Juror No. 10 left the courtroom)

23 (Pause)

24 BY THE COURT:

25 Q. Juror No. 11?



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1 A. Yes.

2 Q. Good morning.

3 A. Good morning.

4 Q. Please state your name for the record.

5 A. Helene Worob.

6 Q. Newspapers were found in the jury room after court  
7 adjourned on Friday. Did you read an article about this case  
8 in any of those newspapers?

9 A. No.

10 THE COURT: Don't discuss what we have discussed out  
11 here with any other juror, okay?

12 (Juror No. 11 left the courtroom)

13 (Pause)

14 BY THE COURT:

15 Q. Juror No. 12?

16 A. Yes.

17 Q. Good morning.

18 A. Good morning.

19 Q. Please be seated. Please state your name for the record.

20 A. Rafael Guilamo.

21 Q. Newspapers were found in the jury room after court  
22 adjourned on Friday. Did you read an article about this case  
23 in any of those newspapers?

24 A. No, I haven't.

25 THE COURT: Don't discuss what we discussed out here

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1 with any other juror, okay?

2 JUROR: Okay.

3 (Juror No. 12 left the courtroom)

4 (Pause)

5 BY THE COURT:

6 Q. Alternate Juror No, 1 good morning?

7 A. Good morning.

8 Q. Please state your name for the record.

9 A. Janis Hemby.

10 Q. Newspapers were found in the jury room after court  
11 adjourned on Friday. Did you read an article about this case  
12 in any of those newspapers?

13 A. No.

14 THE COURT: Don't discuss what we have discussed out  
15 here with any other juror, okay?

16 JUROR: Okay.

17 (Alternate Juror No. 1 left the courtroom)

18 (Pause)

19 BY THE COURT:

20 Q. Alternate Juror No. 2.

21 A. Good morning.

22 Q. Good morning. Please be seated. State your name for the  
23 record.

24 A. Antonio Ocasio.

25 Q. Newspapers were found in the jury room after court

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1 adjourned on Friday. Did you read an article about this case  
2 in any of those newspapers?

3 A. I don't read newspapers.

4 THE COURT: Don't discuss what we discussed out here  
5 with any other juror, okay?

6 JUROR: I won't.

7 (Alternate Juror No. 2 left the courtroom)

8 (Pause)

9 BY THE COURT:

10 Q. Alternate Juror No. 3, good morning.

11 A. Good morning.

12 Q. Please state your name for the record.

13 A. Stephanie Daigle.

14 Q. Newspapers were found in the jury room after court  
15 adjourned on Friday. Did you read an article about this case  
16 in any of those newspapers?

17 A. No.

18 THE COURT: Don't discuss what we discussed out here  
19 with any other juror, okay?

20 JUROR: Yes. Thank you.

21 (Alternate Juror No. 3 left the courtroom)

22 (Pause)

23 BY THE COURT:

24 Q. Alternate Juror No. 4?

25 A. Yes.

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1 Q. Please be seated. Good morning.

2 A. Good morning.

3 Q. Please state your name for the record.

4 A. Philip Longville.

5 Q. Newspapers were found in the jury room after court  
6 adjourned on Friday. Did you read an article about this case  
7 in any of those newspapers?

8 A. No.

9 THE COURT: Don't discuss what we discussed out here  
10 with any other juror, okay?

11 JUROR: Okay.

12 THE COURT: Thank you.

13 (Alternate Juror No. 4 left the courtroom)

14 (Pause)

15 THE COURT: Hold on just a second. (Pause)

16 (Off-the-record discussion)

17 THE COURT: So update again, I guess it is not much of  
18 an update, but just to give you clearer information about what  
19 happened or what is happening with Juror No. 3. The Juror No.  
20 3, Mr. Starks' daughter called the Jury Department, and they  
21 called my Chambers to indicate he is in the ER. So let me know  
22 how counsel wish to proceed.

23 Do you want me to call the Jury Department to see if  
24 we get any other information, or how does counsel wish to  
25 proceed at this point with Juror No. 3?

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1 MR. BELL: I think, your Honor, a call to the Jury  
2 Department might make sense, but even assuming no new  
3 information from the Jury Department, our thought would be it  
4 makes sense to seat Alternate Juror No. 3 and dismiss No. 3,  
5 obviously, with our best wishes.

6 THE COURT: Obviously?

7 MR. BELL: With our best wishes.

8 THE COURT: Counsel for Mr. Seabrook?

9 MS. LYNAUGH: Your Honor, we would agree with a call  
10 to the Jury Department is appropriate to see if we can get more  
11 information. Depending on what comes back, we would perhaps  
12 propose we wait a little bit to see if there isn't additional  
13 information at this point, if we can get some.

14 THE COURT: Counsel for Mr. Huberfeld?

15 MR. MAZUREK: I agree with previous counsels' comments  
16 about proceeding with getting additional information to see how  
17 appropriate we wish to proceed.

18 THE COURT: I will make that call. I will try to do  
19 it on speakerphone on the record. The other thing is counsel  
20 have had an opportunity to review the hard copies of the  
21 newspapers. Do counsel want any follow up or any comments on  
22 anything with that?

23 MR. LIPTON: No, there are no additional articles  
24 about this case in any of those newspapers.

25 THE COURT: Counsel for the government?

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1 MR. NAWADAY: We are good, your Honor.

2 THE COURT: Mr. Seabrook?

3 MS. LYNAUGH: The same.

4 MR. SHECHTMAN: Judge, I am okay with your doing that  
5 phone call in private in Chambers. You have a courtroom that  
6 has a lot of reporters in it. I don't know what private  
7 information will come out, but it doesn't need to be on  
8 speakerphone for us.

9 MR. BELL: That is fine with us, too, your Honor.

10 MR. MAZUREK: Agreed, your Honor.

11 THE COURT: That makes sense. There may be delicate  
12 information, and I will see if we can find out. I will make  
13 this phone call now. Do counsel have anything else we need to  
14 deal with this morning?

15 MR. SHECHTMAN: No.

16 THE COURT: I will make this call right now and come  
17 right back out when I get more information.

18 Actually, counsel, just for the record, I assume all  
19 of the jurors indicated that they have not read anything about  
20 this. I assume there is no other follow-up or anything else  
21 counsel wish me to do?

22 MR. BELL: No, your Honor.

23 MS. LYNAUGH: No, your Honor.

24 MR. MAZUREK: No, your Honor.

25 THE COURT: Okay.

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1 (Recess)

2 THE COURT: So, counsel, is counsel here?

3 MS. LYNAUGH: We are missing Mr. Shechtman and Mr.  
4 Seabrook.

5 MR. BELL: Mr. Huberfeld might be missing as well --  
6 here he is.

7 THE COURT: I wanted to give counsel an update, which  
8 is not much of an update. I want to give counsel an update.  
9 Is everyone here? Mr. Schechtman's counsel is here. Let's go  
10 ahead.

11 I called the Jury Department. They didn't have any  
12 other information, just that the daughter called this morning  
13 and indicated that her father was in the emergency room and  
14 wouldn't be able to come today. They are attempting to find  
15 the daughter's phone number. They'll call me back. Do counsel  
16 want me to follow up with the daughter to get more information  
17 or how do counsel want to proceed?

18 MR. SHECHTMAN: Judge, look, life has to go on, but  
19 our instinct would be if you could, an hour, hour and a half to  
20 see what we learn. If we are beyond that, we'll proceed with  
21 the trial.

22 THE COURT: Counsel for Mr. Huberfeld?

23 MR. MAZUREK: I concur with counsel.

24 THE COURT: The government?

25 MR. BELL: I guess that is fine with us, your Honor.

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1 THE COURT: Hopefully it won't take that long, but  
2 we'll see.

3 MR. BELL: Your Honor, would it be possible as long as  
4 we have a witness back there who probably isn't quite sure what  
5 the delay is, for me to inform them what is going on?

6 MR. SHECHTMAN: No objection.

7 MR. MAZUREK: No objection.

8 THE COURT: Fine. All right. See you later.

9 (Recess)

10 THE COURT: Are counsel all here?

11 MS. LYNAUGH: We are missing Mr. Seabrook and Mr.  
12 Shechtman.

13 THE COURT: Can someone check the hallways and see if  
14 we can get them in here.

15 (Pause)

16 THE COURT: So I do have some other information about  
17 the juror's status. It will involve discussing somewhat  
18 sensitive medical information, so I think it is best to do it  
19 in the robing room, all right? Let's have counsel come into  
20 the robing room.

21 (At the sidebar)

22 THE COURT: So here is the information. My Deputy  
23 called the daughter. This is what she was able to find out  
24 from the daughter, that Mr. Starks is in the emergency room.  
25 He is being treated for dementia.



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1           So, in addition, this doesn't have anything to do with  
2 whether or not to excuse him or not, she indicated that when  
3 the Jury Department, when she called the Jury Department and  
4 told them that her father was somewhat older but not elderly,  
5 was having these issues with dementia, they inquired of her as  
6 to whether or not she had a brother by the same name because it  
7 could be that the wrong Heyward Starks showed up because he has  
8 a son with the same name.

9           Not that that matters for our purposes here, but just  
10 to give you full transparency and all the information I have.  
11 Mr. Starks is being treated for dementia. It seems to me that  
12 it makes sense to excuse him from jury duty, but I'll hear from  
13 counsel on that and we'll replace him with Alternate No. 1. I  
14 will hear from counsel if counsel wish to confer with their  
15 clients about this before making a decision about this, that is  
16 fine, too. I wanted to give you this information, and because  
17 it contains somewhat sensitive medical information, I wanted to  
18 do this here. Counsel have any thoughts on this now?

19           MR. SHECHTMAN: There is no way of substituting in the  
20 son? Can we talk just a moment?

21           THE COURT: Let's just go out here.

22           MR. SHECHTMAN: If you wait, we will be back in in a  
23 second.

24           THE COURT: That is fine.

25           (Recess)

HAUJSEA1

1 THE COURT: What is your pleasure?

2 MR. SHECHTMAN: Excuse.

3 MR. CAPONE: Agree.

4 MR. MAZUREK: Agree.

5 THE COURT: We'll excuse Juror No. 3 and substitute  
6 Alternate No. 1 for Juror No. 3. I will ask my Deputy to  
7 contact Mr. Starks' daughter and let her know he has been  
8 excused from the jury duty with the thanks of the court and  
9 best wishes from the court, and I will let the other jurors  
10 know that Juror No. 3 has been excused and we are substituting  
11 Alternate Juror No. 1 for Juror No. 3, and they should not  
12 speculate why Juror No. 3 has been excused.

13 MR. SHECHTMAN: Do you want to say it is a medical  
14 issue, if you are worried about the floodgates, which I know  
15 was a concern to you before?

16 THE COURT: I can if counsel want me to do that?

17 MR. BELL: I think we are fine either way.

18 MR. SHECHTMAN: Your call!

19 THE COURT: Counsel for Mr. Huberfeld?

20 MR. MAZUREK: I am agnostic on this issue. Your  
21 Honor, maybe less is more.

22 MR. SHECHTMAN: That is fine.

23 THE COURT: Normally, I would just simply tell them  
24 not to speculate why this juror has been excused and maybe that  
25 makes sense here. I am, as I think about this a little bit

HAUJSEA1

1 more, I am a little concerned about this especially given the  
2 colloquy we had this morning. I don't want these jurors to  
3 think that Juror No. 3 somehow was reading articles or the like  
4 or something like that. Maybe that doesn't matter, so in this  
5 rare situation it may make sense to tell the jury it was a  
6 medical situation.

7 MR. MAZUREK: No objection.

8 MR. BELL: That is fine with us.

9 MR. SHECHTMAN: That is fine with us.

10 THE COURT: I will let the jury know that Juror No. 3  
11 has been excused due to a medical situation, and we'll  
12 substitute Alternate No. 1 for Juror No. 3, and have Alternate  
13 No. 1 sit in Juror No. 3's seat? Any objection?

14 MR. MAZUREK: No.

15 MR. BELL: No.

16 MR. SHECHTMAN: No.

17 THE COURT: Ready to start?

18 MR. MAZUREK: Yes.

19 (In open court)

20 THE COURT: Let's go ahead and bring the jury in.  
21 Hold on a second.

22 (Continued on next page)  
23  
24  
25

HAUJSEA1

Rechnitz - direct

1 (In open court, jury present)

2 THE COURT: Welcome back. Juror number three is being  
3 excused from jury duty due to a medical situation, so I'm going  
4 to ask alternate juror number one to come and sit in juror  
5 number three's seat.

6 We will continue with the case on trial. Go head,  
7 counsel.

8 MR. BELL: Thank you, your Honor.

9 JONA RECHNITZ, (Continued)

10 having been previously affirmed, testified as follows:

11 DIRECT EXAMINATION

12 BY MR. BELL:

13 Q. Good morning, Mr. Rechnitz.

14 A. Good morning.

15 Q. When we left off on Friday I asked you a series of  
16 questions about your activities on December 11, 2014. I  
17 believe that we left off where you bought a bag from the  
18 Ferragamo store and returned to your office on Fifth Avenue.  
19 We showed some video of you entering the office building and  
20 then were having some AV issues. Before we get there, I would  
21 like to ask you about a number of things that you have already  
22 testified about.

23 First, we asked about a number of things that you and  
24 Jeremy Reichberg did for Norman Seabrook from the period  
25 beginning late 2013 through 2014. Were there favors that

HAUJSEA1

Rechnitz - direct

1 Norman Seabrook did for you and Mr. Reichberg during that same  
2 period of time?

3 A. I had made some requests to Norman. At one point there was  
4 a friend from Los Angeles, a mutual friend who was in prison,  
5 and I asked to help with accommodations, but that's not a  
6 prison that Norman controlled. Norman once helped write a  
7 letter for a friend of mine on their stationery which was used  
8 for his business. And other than that, I can't think of  
9 anything.

10 Q. Next item here, you've testified about certain things that  
11 Mr. Ross Offinger did for you and Mr. Reichberg, and certain  
12 things that you did when Mr. Offinger requested them on behalf  
13 of Mr. de Blasio's campaign and administration. Do you  
14 remember those questions?

15 A. Yes.

16 Q. I believe I neglected to ask you whether you did anything  
17 for Mr. Offinger personally during that period of time, which  
18 is to say from the 2013 campaign onward.

19 Setting aside donations you made at Mr. Offinger's  
20 request, did you do anything for Mr. Offinger personally?

21 A. Yes.

22 Q. What did you do?

23 A. When he was away on vacation in the Dominican Republic, I  
24 paid for his hotel stay. And in addition, he had some business  
25 projects friends of his were running that were looking for

HAUJSEA1

Rechnitz - direct

1 investors, and I took meetings on his behalf to meet with them  
2 to discuss a potential investment.

3 Q. You also testified about the frequency of communication  
4 that you had with Mr. de Blasio in the late stages of the 2013  
5 mayoral campaign. Do you remember answering those questions?

6 A. I do.

7 Q. So around that time, what kinds of communication did you  
8 have with Mr. de Blasio?

9 A. I had communications with him through email, text, his cell  
10 phone, office phone, emails with Ross, phone conversations with  
11 Ross.

12 Q. And between the different types of communications that you  
13 just mentioned, about how frequent was your communication with  
14 Mr. de Blasio at around that time?

15 A. At around the time of the campaign, it was -- as I said, I  
16 believe it was on a weekly basis via those methods.

17 Q. Switching gears slightly, after the election, did you  
18 continue to have direct contact with Mr. de Blasio?

19 A. I did.

20 Q. In what way?

21 A. Many emails, many phone calls, texts, spoke to him on  
22 Ross's phone, spoke to him through Ross, through email, and I  
23 met him many times.

24 Q. Are you familiar with an individual named Andrew Penson?

25 A. Yes.

HAUJSEA1

Rechnitz - direct

1 Q. Who is Andrew Penson?

2 A. Andrew is a friend.

3 Q. And what understanding do you have of Mr. Penson's  
4 business?

5 A. His company was dealing with the air rights for the midtown  
6 east rezoning, and I tried to help him. I made a meeting  
7 between him and the mayor, and I really spoke to the mayor and  
8 put a lot of pressure on him to forward a lot of emails from  
9 Andrew to the mayor on trying to come to terms for SL Green,  
10 which is the company that owns One Vanderbilt, to buy the air  
11 rights which Andrew purchased, that they would go through  
12 Andrew and the city wouldn't be offering them for cheaper.

13 Q. You mentioned an entity called One Vanderbilt. What was  
14 One Vanderbilt?

15 A. One Vanderbilt was a new project on Vanderbilt, 42nd  
16 Street.

17 Q. And what property, if any, did Mr. Penson own that  
18 implicated air rights for that area?

19 A. So he owned the land of the Grand Central Terminal, and he  
20 purchased the air rights that belong to terminal.

21 Q. And for the uninitiated, I guess, and the jury, could you  
22 give us a sense of what air rights are?

23 A. Air rights are literally air. You sell air in New York.  
24 Sometimes buildings are taller and some are shorter, it's  
25 because the taller building has bought the air on top of the

HAUJSEA1

Rechnitz - direct

1 shorter building and transferred them over.

2 Q. What sorts of communications with Mr. de Blasio did you  
3 have on Mr. Penson's behalf?

4 A. First of all, I introduced them in Jeremy Reichberg's home.  
5 We had a private meeting about it. And in addition, Andrew was  
6 very distressed that he felt that Carl Weisbrod, who was  
7 running this initiative for the city, was not acting fairly or  
8 appropriately, and that Carl had a prior relationship with one  
9 of the owners at SL Green, and Andrew thought it wasn't fair.  
10 And I was corresponding in between the two of them, and I was  
11 forwarding a lot of emails from Andrew to the mayor. And I  
12 was, I believe, responsible for arranging a meeting between  
13 Carl and Andrew and had the mayor speak to Carl about being  
14 more attentive to the issue.

15 Q. Did there come a point during those email exchanges where  
16 you exaggerated communications that you had with Mr. de Blasio  
17 to Mr. Penson?

18 A. Yes.

19 Q. Tell us about it.

20 A. At one point I forwarded Andrew's email to the mayor, and I  
21 wrote to the mayor FYI, please see below regarding Andrew. And  
22 the mayor responded to me that he would be calling me shortly  
23 on my phone. What I did is when I forwarded the email back to  
24 Andrew, I embellished a few sentences to Andrew showing that I  
25 went to bat for him more than I did.



HAUJSEA1

Rechnitz - direct

1 Q. What was the nature of the going to bat for Mr. Penson that  
2 you included in the email as forwarded?

3 A. I wrote to the mayor -- well, I didn't write it, but I  
4 showed Andrew that I wrote the mayor that he's embarrassing me  
5 by allowing this to happen.

6 Q. What was the purpose of that embellishment?

7 A. To calm Andrew down. He was very distressed over it, and I  
8 wanted to look more important on this issue for Andrew than I  
9 was.

10 Q. To the best of your knowledge, did that succeed?

11 A. It did not.

12 Q. And what do you mean by that?

13 A. Unfortunately, Andrew was not successful in his case, and I  
14 think that the city did a disservice to him.

15 Q. Were you successful in making Mr. -- making your  
16 relationship with Mr. de Blasio look better than it in fact  
17 was?

18 MR. SCHECHTMAN: Your Honor, could I move to strike:  
19 I thought they did a disservice? It's a gratuitous opinion  
20 that I don't think anyone needs.

21 THE COURT: Overruled. Go ahead.

22 Q. Were you successful in making yourself more important than  
23 you were for the moment?

24 A. Yes.

25 Q. And what leads you to believe that you were successful?

HAUJSEA1

Rechnitz - direct

1 A. Andrew's wife emailed me very excited that she couldn't  
2 believe that's what I wrote to the mayor.

3 Q. And in the short term, what came of the email that you  
4 actually did send to Mr. de Blasio?

5 A. A follow-up phone call with the mayor, actually several  
6 phone calls with the mayor regarding the issue, and then the  
7 mayor told me he would speak to Carl Weisbrod, and Andrew and  
8 Carl had correspondence.

9 Q. Switching to another the subject, you also testified last  
10 week about a series of conversations with Mr. Huberfeld in  
11 December of 2013 after you returned from the Dominican  
12 Republic, and that during one of these Mr. Huberfeld came up  
13 with a formula with which to pay Mr. Seabrook. Do you recall  
14 that?

15 A. Yes.

16 Q. As part of that conversation, I believe you testified that  
17 Mr. Huberfeld said that Mr. Seabrook would make \$100,000 if the  
18 union invested 20 million. Do you recall that testimony?

19 A. Yes.

20 Q. Who was it who raised the \$20 million figure in those  
21 conversations?

22 A. Murray did.

23 Q. At that time, how much did you believe that the union was  
24 potentially investing, at least to start?

25 A. Originally five to seven million.

HAUJSEA1

Rechnitz - direct

1 Q. What was your understanding of why Mr. Huberfeld was  
2 talking about \$20 million at that point?

3 A. Greater aspirations. To give a figure of a hundred  
4 thousand based on 20 million, I understood that to be the case,  
5 that Norman -- that was one of the goals he should achieve.

6 Q. You also testified that about a year later after informing  
7 you that the fund had underperformed, Mr. Huberfeld changed the  
8 formula, right?

9 A. Yes.

10 Q. At that time did Mr. Huberfeld give you an example of what  
11 Seabrook could stand to make under the new revised formula?

12 A. Yes.

13 Q. And what did he say?

14 A. He said that, for example, if it was \$20 million, he would  
15 get half a percent, and it would be an annuity, so that would  
16 be \$100,000 a year.

17 Q. Who was it who raised the \$20 million figure on that  
18 occasion, him or you?

19 A. Murray.

20 Q. What was your understanding at that time of how much the  
21 union had actually invested?

22 A. It was either 10 or 15 million, I don't recall.

23 Q. And what was your understanding of why Mr. Huberfeld was  
24 talking to you about \$20 million at that time?

25 A. The same reason, he wanted the union to put more money in.

HAUJSEA1

Rechnitz - direct

1 Q. Mr. Rechnitz, I want to direct your attention to back  
2 records already in evidence as Government Exhibit 106. These  
3 are records from the JSR Capital account at JP Morgan Chase,  
4 and as we see, it's quite a lengthy exhibit, and I will ask you  
5 to jump ahead to page 607.

6 What I will ask you to do is to focus in on say the  
7 top half or so of the payments and transfers listed.

8 MR. BELL: Can you highlight the January 9, 2013  
9 transfer to Apollo Jets, or 38,000, just down one.

10 Q. I want to direct your attention to the highlighted text,  
11 references made there on the statement from January 1st,  
12 2013 -- January 31, 2013, to a January 9 transfer from the JSR  
13 Capital account to Apollo Jets, LLC for \$38,109.64. Do you see  
14 that?

15 A. I do.

16 Q. Are you familiar with the payment reference there?

17 A. Yes.

18 Q. And what was that payment for?

19 A. This was the payment for the jet charter company for the  
20 trip to Miami we spoke about for the BCS championship football  
21 game.

22 Q. Is that the same BCS championship game that featured Notre  
23 Dame that you testified about last week?

24 A. Yes.

25 Q. If we could jump is head to page 1237, and if we could

HAUJSEA1

Rechnitz - direct

1 focus in on the second transfer, one for \$45,000, made on  
2 December 17, 2013 to M-2 Jets Manager LLC in Brooklyn, New  
3 York, for \$45,000. Are you familiar with that transaction?

4 A. Yes, I am.

5 Q. And what transaction does that refer to?

6 A. This was payment for the trip for the jet charter to the  
7 Dominican Republic with Phil, Norman, me, Jeremy and Hamlet.

8 Q. Can we go ahead now to page 1382, and can we direct your  
9 attention to a March 19 transfer to Five Star Travel for  
10 \$27,000, Five Star Travel in Brooklyn, New York. Are you  
11 familiar with that March 19, 2014 transfer to Five Star Travel?

12 A. Yes.

13 Q. And what is that transfer referencing?

14 A. That's the payment to the travel agent for the trip that I  
15 paid for taking Jeremy, Phil and Norman to Israel.

16 Q. Now let's look at page 1172 of the same document, the same  
17 set of bank statements.

18 This is, on its face, a check from JSR Capital to an  
19 entity called Daniella Diamonds for \$5,790. The memo line  
20 reads Rolex.

21 Mr. Rechnitz, is that your signature on the check?

22 A. Yes.

23 Q. Do you recall what this check was for?

24 A. Yes.

25 Q. What was that check for?

HAUJSEA1

Rechnitz - direct

1 A. This was the payment for Rob Astorino's watch.

2 Q. And were you aware of any other payments that were made  
3 toward that same watch?

4 A. Yes.

5 Q. What other payment were you aware of?

6 A. The minimal payment that Rob made on his credit card that  
7 we discussed the other day.

8 Q. To the best of your knowledge, was Mr. Astorino aware of  
9 your contribution to that watch?

10 A. Yes.

11 Q. How do you know?

12 A. Because I told him I was doing it so that I would get the  
13 grace in his eyes.

14 MR. BELL: Let's take that down.

15 Now I would like to show you a couple of quick emails.  
16 First, the government offers Government Exhibit 1011 without  
17 objection.

18 THE COURT: Okay, it's in.

19 (Government's Exhibit 1011 received in evidence).

20 MR. BELL: Could we publish that, Ms. Bustillo.

21 Q. So I want to direct your attention just to the first two  
22 conversations in that page. I want to direct your attention,  
23 Mr. Rechnitz, to the bottom, a November 8, 2013 email from you  
24 to Mr. Seabrook in which you say, 8:50 a.m. Monday morning,  
25 then shortly after Mr. Seabrook responds: Are you tuned into

HAUJSEA1

Rechnitz - direct

1 my show?

2 Do you know what that references, Mr. Rechnitz?

3 A. Yes, Norman used to have his own talk show on the radio.

4 Q. And were you in fact listening to the radio show at that  
5 point?

6 A. No.

7 Q. Did there come a time where you learned what was happening  
8 on the radio show at that time?

9 A. Yes.

10 Q. How did you learn?

11 A. Jeremy told me.

12 Q. And what did you learn from Mr. Reichberg?

13 A. That Norman gave me a nice shout out.

14 Q. So you then respond at 12:11, and you say heard it all,  
15 THX. So nice to show appreciation and friendship.

16 What was the THX?

17 A. Thanks.

18 Q. And what were you doing here, Mr. Rechnitz?

19 A. I was thanking Norman for the shout out.

20 Q. Was there a particular reason why you didn't tell  
21 Mr. Seabrook that you hadn't in fact heard the radio bit?

22 A. I think that would be rude. I didn't want to insult him.

23 MR. BELL: Let's take that down.

24 Your Honor, the government offers 1032, I believe also  
25 without objection?

HAUJSEA1

Rechnitz - direct

1 THE COURT: Okay, it's in.

2 (Government's Exhibit 1032 received in evidence)

3 MR. BELL: If we put that up, this is not  
4 Mr. Rechnitz's email, but you're on it, so I will read it  
5 beginning with the lower conversation.

6 On Sunday, March 30, 2014, at 7:16, Norman,  
7 normanseabrookcoba@gmail writes: Shalom, Brother, hope all is  
8 well. It's Norman Seabrook from New York. I was speaking with  
9 you about some work I needed done. I would like a backgammon  
10 table made from wood from Israel for a special friend,  
11 something that stands alone from all the rest, something that's  
12 one of a kind. Thank you. If you send some photos, that would  
13 help put this together. Thank you, Brother.

14 Norman Seabrook, President of New York City Correction  
15 Officers Benevolent Association. God is great.

16 Can you take the blow up window down and go to the  
17 first part.

18 BY MR. BELL:

19 Q. At the time of this email exchange, Mr. Rechnitz, March 31,  
20 2014, this is before or after the Israel trip?

21 A. After.

22 Q. And in this email Didi Kelman writes backs to Norman,  
23 subject line, wood table, table is misspelled: Hi, Norman. It  
24 was a great honor to take you around and a great honor to get  
25 this email from you. I made a table like this a few years ago.



HAUJSEA1

Rechnitz - direct

1 This one is made from walnut, pear and emboiya wood from  
2 Mexico. I want to use Israel wood for you, like olive, kerb  
3 and more. The size I recommend is three feet by two feet, more  
4 or less, with the game in the center. If you like the idea, I  
5 will start planning and send a price. I had a great day with  
6 you and hope to come and pay you a visit soon. Didi.

7 Did there come a time when you received a backgammon  
8 table from Mr. Seabrook?

9 A. Yes, Norman and Phil Banks gave me a backgammon table after  
10 the trip.

11 Q. Can you describe that backgammon table?

12 A. The specifications in this email describe it well.

13 MR. BELL: Let's take that down.

14 Q. Finally, I would like to return to your testimony  
15 concerning Roy Richter, who you discussed the other day. He's  
16 the head of a police union.

17 MR. BELL: Ms. Bustillo, could you republish  
18 Government Exhibit 105, please.

19 Q. I want to direct your attention to the last email on the  
20 page, which is to say the first email, you say: Dear Roy, it  
21 was nice meeting you last week in Chief Bank's office. I would  
22 like to get together when time permits to introduce you to a  
23 fund as an investment for some of your pension money. The fund  
24 has other NYC union investors as well. The name of the fund is  
25 called Platinum Partners Value Arbitrage Fund. Please let me

HAUJSEA1

Rechnitz - direct

1 know when you are available.

2 MR. BELL: And Ms. Bustillo, can you highlight the  
3 date, please, November 4, 2014.

4 Q. With that, at that time, Mr. Rechnitz, why were you  
5 contacting Mr. Richter about the Platinum Partners Value  
6 Arbitrage Fund specifically?

7 A. I met Roy, I spoke to Murray, and we made up that I would  
8 trying to arrange a meeting with Roy. And I called Murray and  
9 asked him what to write, and we spoke about it on the phone,  
10 and then I wrote after what we discussed exactly what we  
11 discussed.

12 Q. Now are you aware of any sort of official pitch ultimately  
13 happening?

14 A. No.

15 Q. How had you made contact with Mr. Richter?

16 A. I met him in Phil Bank's office.

17 Q. To your knowledge, did you have other connections with  
18 Mr. Richter among your contacts at the NYPD?

19 A. No.

20 MR. BELL: Let's take that down.

21 Finally, let's put up Government Exhibit 1023, I  
22 believe without objection.

23 THE COURT: It's in.

24 (Government's Exhibit 1023 received in evidence).

25 Q. And let's just look at the whole thing. This is an email

HAUJSEA1

Rechnitz - direct

1 from Murray Huberfeld to jreichberg@gmail.com.

2 Do you recognize that as one of Mr. Reichberg's email  
3 addresses?

4 A. Yes.

5 Q. And BCC'ing mhuberfeld@platinump.com.

6 MR. BELL: Could you highlight the date as well.

7 Q. Mr. Huberfeld writes Mr. Reichberg and says: Let's get  
8 some more meetings set up for presentations.

9 Did you ever receive this email, to your knowledge?

10 A. No.

11 MR. BELL: Let's take that down.

12 Q. Now on Friday, Mr. Rechnitz, I asked you about what other  
13 things you did, or rather what things you did on December 11,  
14 2014 in order to arrange for Norman to get paid, and you gave  
15 testimony about going to the Ferragamo store and buying a bag  
16 for Mr. Seabrook. Do you remember that?

17 A. Yes.

18 Q. Before we get right back into that, I want to ask you about  
19 what led to this. What was it that happened that moved you to  
20 lay out the money for Mr. Seabrook at that point?

21 A. Murray and I had spoken, and I had the comfort that I was  
22 going to be reimbursed from him via a fake Knicks invoice, and  
23 that gave me the comfort to go forward and make the payment to  
24 Norman because I knew how I was being reimbursed.

25 Q. What was your best sense of when that conversation or those

HAUJSEA1

Rechnitz - direct

1 conversations took place relative to when you actually laid out  
2 the cash?

3 A. It could have been the same day, maybe the day before.

4 Q. I want to redirect your attention to December 11 itself.

5 What time of day was it when you went to Ferragamo store to buy  
6 the bag?

7 A. Later afternoon, early evening.

8 Q. Where did you go after you left the Ferragamo store?

9 A. Back to my office.

10 Q. What was the address of the building where your office was  
11 located?

12 A. 580 Fifth Avenue.

13 Q. About how far was the Ferragamo store from your office?

14 A. Two and a half blocks.

15 Q. What were you going to do with the bag at your office?

16 A. Fill it with the cash that I was going to be giving to  
17 Norman.

18 MR. BELL: Ms. Bustillo, I will ask you to put up both  
19 Government Exhibit 1404, which came in via stipulation.

20 Let's post the first clip from that exhibit. We fixed  
21 it here, so that hopefully the video will work this time. And  
22 let's just pause to note the time in the lower right corner,  
23 which is to say 6:15 and about three and a half seconds.

24 Q. What area are we looking at, Mr. Rechnitz?

25 A. That's Fifth Avenue right in front of the entrance to 580

HAUJSEA1

Rechnitz - direct

1 Fifth Avenue.

2 MR. BELL: Why don't we play the video for about the  
3 next 19 or 20 seconds.

4 (Video recording played)

5 MR. BELL: Can we stop there.

6 Q. Now who is that holding onto the door, Mr. Rechnitz?

7 A. That's me.

8 Q. By the way, what do you have in your left hand?

9 A. Paper.

10 Q. And at this point, do you have the bag with you?

11 A. I do.

12 MR. BELL: Let's play it some more.

13 (Video recording played)

14 Q. Now from this angle, Mr. Rechnitz, are you going into or  
15 out of the building?

16 A. Into the building.

17 MR. BELL: So let's take that down and go to the next  
18 clip, 1404, and let's pause for a moment and note the time in  
19 the corner, again that's 6:15 about 19 seconds. Why don't we  
20 go ahead and play the next few seconds of this clip.

21 (Video recording played)

22 MR. BELL: Let's stop.

23 Q. Again, Mr. Rechnitz, who is this?

24 A. That's me.

25 Q. And what are you holding?

HAUJSEA1

Rechnitz - direct

1 A. There's a bag on my right arm and it's either paper or my  
2 phone in my left hand.

3 Q. What kind of phone did you have at the time?

4 A. An iPhone.

5 Q. Let's go ahead and keep playing.

6 (Video recording played)

7 MR. BELL: All right. Let's take that down and go to  
8 the next clip from 1404. Let's play a fraction of a second.

9 Q. What area are we looking at here, Mr. Rechnitz?

10 A. That's the mantrap in between the street entrance and the  
11 lobby entrance to 580 Fifth Avenue.

12 MR. BELL: Let's note the time in the corner, which  
13 6:15 and about 15 seconds on December 11, and let's hit play.

14 (Video recording played)

15 Q. Who is that, Mr. Rechnitz?

16 A. Pardon?

17 Q. Who is that, sir?

18 A. That's me.

19 Q. And which direction are you going?

20 A. I'm going into the office lobby.

21 MR. BELL: Let's hit play.

22 (Video recording played)

23 MR. BELL: Let's go ahead, Ms. Bustillo, and take that  
24 down.

25 If we can, let's put up Government Exhibits 1404A and

HAUJSEA1

Rechnitz - direct

1 B side by side. These are stills from the image that you just  
2 saw.

3 Let's take those down.

4 Ms. Bustillo, could we briefly, before we get to the  
5 rest of the video, put up Government Exhibit 1062 again.

6 BY MR. BELL:

7 Q. This is the email exchange with the invoice that I think we  
8 went through just last Friday. Directing your attention to the  
9 bottom email, the one being responded to from Levin Prado, your  
10 assistant, to you.

11 What time does Mr. Prado email you the invoice?

12 A. 6:27 p.m.

13 Q. And what time do you forward it on to Mr. Huberfeld?

14 A. 6:30 p.m.

15 MR. BELL: Now with that email, Ms. Bustillo, I want  
16 to -- can you highlight the text underneath the signature block  
17 that says "sent from my iPhone?"

18 Q. Are you familiar with that part of your signature block,  
19 Mr. Rechnitz, the "sent from my iPhone" part?

20 A. Yes.

21 Q. What does that part of your signature indicate?

22 A. When I send an email from my iPhone, as opposed to my  
23 computer, it says "sent from my iPhone."

24 Q. Where were you, Mr. Rechnitz, and Mr. Prada, when you asked  
25 Mr. Prada to create the invoice for you?

HAUJSEA1

Rechnitz - direct

1 A. In my office.

2 MR. BELL: We can take that down. Thank you.

3 Now let's jump to the end of, I think it's the fourth  
4 clip that we have got of 1404, if we could go to right around  
5 6:29 and a few seconds. So Ms. Bustillo, if you blow up the  
6 corner that indicates 6:29 and 13.8 seconds. If we go ahead  
7 and play that.

8 (Video recording played)

9 MR. BELL: Stop there.

10 Q. Who is that, Mr. Rechnitz?

11 A. That is me.

12 Q. What are you holding?

13 A. My iPhone and the bag.

14 Q. And to your understanding and recollection, Mr. Rechnitz,  
15 was that bag empty or full?

16 A. Full.

17 Q. And what was it full of?

18 A. \$60,000 in cash.

19 MR. BELL: Can you play some more of that,  
20 Ms. Bustillo.

21 (Video recording played)

22 Q. Which way are you heading now relative to the exit?

23 A. I'm exiting the building.

24 MR. BELL: Let's pull up what I believe we organized  
25 as the third clip of 1404, if we could go to 6:29 once again.



HAUJSEA1

Rechnitz - direct

1           The time showed I believe it's 6:29 and one second,  
2       let's play the next 40 or so seconds.

3           (Video recording played)

4       Q.   Mr. Rechnitz, who is that?

5       A.   That's me.

6       Q.   And in which direction are you going?

7       A.   I'm leaving the building.

8           MR. BELL:   Let's play it, please.   We'll note it's  
9       6:29 and 36 seconds.

10           Let's pull up 1305, which is also in evidence, can we  
11       get right around to 6:29 there as well.   Let's pause and note  
12       we're at 6:29 and 10 seconds.

13       Q.   What area are we looking at?

14       A.   That's the inner vestibule by the security checkpoint of  
15       the office building.

16           MR. BELL:   Can we go ahead and play that.

17           (Video recording played)

18           MR. BELL:   I'll ask you to pause it right around 6:29  
19       and 31 seconds.

20       Q.   Mr. Rechnitz, who is that?

21       A.   That's me.

22       Q.   And what are you holding?

23       A.   I'm holding the Ferragamo bag in my left hand, and my phone  
24       in my right hand.

25           MR. BELL:   I note it's 6:29 and 31 seconds.   Let's

HAUJSEA1

Rechnitz - direct

1 play Mr. Rechnitz out of frame.

2 Now I ask you to put up 1404C and D next to each  
3 other. These are stills taken from the footage.

4 And we can take those down.

5 BY MR. BELL:

6 Q. Mr. Rechnitz, you had your office space within that  
7 building, is that right?

8 A. Yes.

9 Q. Were you a tenant of the building or did you own it?

10 A. Yes.

11 Q. Sorry?

12 A. A renter.

13 Q. A renter. As a renter, did you yourself have regular  
14 access to the building's surveillance footage.

15 A. No.

16 Q. When was the first time that you saw this surveillance  
17 footage, Mr. Rechnitz?

18 A. Within the last week.

19 Q. Now after you left the building at Fifth Avenue with the  
20 bag, where did you go?

21 A. I went to meet Norman.

22 Q. And where, once again, were you expecting to meet Norman?

23 A. On Lexington Avenue between 38th and 37th Street.

24 Q. And just to refresh the jury here, why were you supposed to  
25 be meeting Norman originally that evening?

HAUJSEA1

Rechnitz - direct

1 A. We had dinner plans with Jeremy and Phil at a restaurant on  
2 that block.

3 Q. And what was supposed to happen after those dinner plans?

4 A. After the dinner plans we were going to my friend's party  
5 for the new Torah he was dedicating on 42nd Street.

6 Q. What kind of establishment was La Brochette?

7 A. It was a kosher steakhouse.

8 Q. And as you left the building, what were you planning on  
9 doing when you he got to La Brochette?

10 A. Meeting Norman outside before going in to give him the bag.

11 Q. Had you spoken to Norman about that plan?

12 A. Yes.

13 Q. When had you spoken to Norman about that plan?

14 A. I don't remember exactly when, but we met -- we made a plan  
15 to meet up before.

16 Q. How had you contacted Mr. Seabrook?

17 A. On his cell phone.

18 Q. Did there come a time when you in fact reached La  
19 Brochette?

20 A. Yes.

21 MR. BELL: The government offers, I believe without  
22 objection, Government Exhibits 660 through 663.

23 THE COURT: Okay, they're in.

24 (Government's Exhibit 660 through 663 received in  
25 evidence)

HAUJSEA1

Rechnitz - direct

1 MR. BELL: Could we publish on the screen 660, 661 and  
2 662. And while we're at it, sorry to get greedy here, could we  
3 put 663 up as well.

4 BY MR. BELL:

5 Q. Now are you familiar with the area depicted in those  
6 photographs?

7 A. Yes, I am.

8 Q. I want to start with 663.

9 The building depicted in the lower right corner,  
10 what's that, sir?

11 A. That's the restaurant we had dinner in, La Brochette.

12 Q. And what area do you see depicted in the remaining pictures  
13 660, 661 and 662?

14 A. The top left corner and the top right corner are across the  
15 street from the restaurant.

16 Q. Can you see in any of these pictures approximately where it  
17 is that you and Mr. Seabrook met?

18 A. Yeah, the top left corner, if you could zoom it in, we met  
19 about a third way up the block, so I guess right in front of  
20 the DP car in the left lane -- or the right lane from where I'm  
21 looking.

22 Q. When you met up with Mr. Seabrook, first of all, where were  
23 you when you first saw him or some sign of him?

24 A. I was on the street waiting for him.

25 Q. What did you see?

HAUJSEA1

Rechnitz - direct

1 A. I saw him pull in his black Suburban and stop the car.

2 Q. What happened then?

3 A. I went in through the front passenger's door and I entered  
4 the vehicle.

5 Q. Was Mr. Seabrook there?

6 A. Yes.

7 Q. Was he alone?

8 A. Yes.

9 Q. What happened once you entered the car?

10 A. I closed the door, I gave him the bag, and told him that  
11 there was \$60,000 inside, and I saw his face was a look of  
12 disappointment. So I explained to him that there would be a  
13 new formula moving forward and he doesn't have to worry about  
14 how much it's going to be in the future, how the fund performs.  
15 I said don't worry, I know it's not what you expected, Murray  
16 actually added more money to it, it came out to less. And  
17 moving forward there's a new formula, you will get a half  
18 percent of everything you invested in. So if you have \$20  
19 million invested, you get a half percent, which is a hundred  
20 grand, and you don't have wait the whole year, you will start  
21 getting paid out at the beginning of the year.

22 Q. How did Mr. Seabrook react to what you told him?

23 A. He was not thrilled, and he said: I don't have a choice.  
24 This is what you're telling me I got to do. And he took the  
25 bag and put it down by his feet by the driver's side.

HAUJSEA1

Rechnitz - direct

1 Q. What happened after Mr. Seabrook put the bag by his feet?

2 A. We left the car to go eat dinner.

3 Q. About how long would you say the two of you were in the car  
4 together?

5 A. Maybe a minute or two.

6 Q. And as you left the car, just to be clear, what happened  
7 with the bag?

8 A. He left the bag in the car.

9 Q. Now how many times had you and Mr. Seabrook gotten together  
10 with Chief Banks and Mr. Reichberg before?

11 A. Dozens.

12 Q. And over those dozens of times, to your recollection, had  
13 Mr. Seabrook ever carried a man purse in your presence before?

14 A. No.

15 Q. What do you remember of the dinner?

16 A. I remember having dinner, and I remember feeling very  
17 rushed because we were running late for the Torah dedication  
18 ceremony, and I was trying to rush things along.

19 Q. Did there come a time when you spoke to Mr. Huberfeld?

20 A. Yes.

21 Q. When and where did you speak to Mr. Huberfeld?

22 A. I remember stepping outside of the restaurant to tell  
23 Murray that I paid Norman.

24 Q. Do you remember anything of that conversation?

25 A. No.

HAUJSEA1

Rechnitz - direct

1 Q. Did there come a time when you and the folks assembled left  
2 La Brochette?

3 A. Yes.

4 Q. And when you left, where did you go?

5 A. I drove with Norman and Jeremy rode with Phil.

6 Q. Was there a reason why you drove with Norman?

7 A. Yes, I didn't want Norman to feel neglected. I felt the  
8 right thing to do would be to go with him.

9 Q. Why were you concerned about Mr. Seabrook feeling neglected  
10 on that occasion?

11 A. Often when we were with Phil, he didn't feel as important,  
12 to my -- that was my feeling, and I had just delivered him less  
13 money than he was expecting, so I wanted to make sure he was  
14 okay.

15 Q. Where did you and Mr. Seabrook go once you got to the car?

16 A. We went to 42nd and Fifth to the Torah dedication ceremony  
17 and we parked the car and met Jeremy and Phil downstairs and  
18 walked up together.

19 Q. I'm not sure we touched on this, but what was the name of  
20 the place where the Torah dedication ceremony and party took  
21 place?

22 A. Chabad of Midtown.

23 Q. You may have touched on this to a degree last week, but  
24 what was the significance of this Torah dedication ceremony, or  
25 what was it, first of all?

HAUJSEA1

Rechnitz - direct

1 A. A friend of mine purchased a Torah, which is quite  
2 expensive, and donated it to the synagogue.

3 Q. What was the name of synagogue?

4 A. Chabad of Midtown.

5 Q. And what, if any, connection -- well, first of all, what  
6 was your friend's name?

7 A. Mendy.

8 Q. And what, if any, connection did Mendy have with the other  
9 people in your party?

10 A. So he had met also a lot of police officers through Jeremy,  
11 and I don't remember if he had met Phil in the past, but Jeremy  
12 and I wanted to bring him -- we knew he would appreciate if we  
13 brought Phil and Norman, it would look nice for him, so that's  
14 something that we did.

15 Q. Did you in fact get to the ceremony at Chabad of Midtown?

16 A. We did.

17 Q. What did you do there?

18 A. We danced with Mendy, we danced with the Torah, and then we  
19 left.

20 Q. Were there, to your knowledge, photographs taken of that  
21 event?

22 A. Yes.

23 MR. BELL: So I want to offer, I believe without  
24 objection, Government Exhibit 716.

25 THE COURT: Okay, it's in.



HAUJSEA1

Rechnitz - direct

1 (Government's Exhibit 716 received in evidence)

2 MR. BELL: Could we publish 716, Ms. Bustillo.

3 Thank you.

4 Q. What are we looking at right now, Mr. Rechnitz?

5 A. This is a photo inside of the synagogue.

6 Q. And is that -- what event was happening at that synagogue  
7 at the time?

8 A. The Torah dedication ceremony we were just speaking about.

9 Q. Can you take me through who everyone is here from left to  
10 right?

11 A. I'm the first person on the left, then Fernando Mateo, then  
12 Michael Harrington, then Mendy, and then Norman Seabrook,  
13 Philip Banks, and Jeremy Reichberg.

14 MR. BELL: We can take that down.

15 Q. Now do you have a recollection, Mr. Rechnitz, of about how  
16 much time you spent at the Torah dedication ceremony?

17 A. I believe it was less than an hour.

18 Q. And what do you recall of the circumstances under which you  
19 left?

20 A. I remember Phil and Norman wanting to leave after a while  
21 to go get a cigar at the Grand Havana Club.

22 Q. Did you leave with them?

23 A. I did.

24 Q. And what was the Grand Havana Club?

25 A. At the time a members only cigar lounge at 666 Fifth

HAUJSEA1

Rechnitz - direct

1 Avenue.

2 Q. And had you been there with any one of your travel party  
3 before?

4 A. Yes.

5 Q. Who had you been there with before?

6 A. Phil, Norman, Jeremy, Mike Harrington.

7 MR. BELL: I want to offer and publish, I believe  
8 without objection, Government Exhibit 666.

9 THE COURT: Okay, it's in.

10 (Government's Exhibit 666 received in evidence)

11 Q. Mr. Rechnitz, this is a map of a portion of Manhattan. Are  
12 you familiar with this area?

13 A. I am.

14 Q. So I want to spotlight a couple of locations for you.  
15 First, there's a dot by East 52nd Street that says Salvatore  
16 Ferragamo. Does that comport with your recollection of where  
17 the Salvatore Ferragamo store is?

18 A. Yes.

19 Q. There's then a dot labeled 580 Fifth Avenue. Does that  
20 comport with your understanding of where your office was  
21 located?

22 A. Yes.

23 Q. Now I want to direct your attention to the La Brochette dot  
24 near the bottom of the page by East 39th Street. Do you see  
25 that?

HAUJSEA1

Rechnitz - direct

1 A. I do.

2 Q. Does that comport with your understanding of where La  
3 Brochette was located?

4 A. Yes.

5 Q. Finally, there is a Torah dedication ceremony dot up at  
6 Fifth Avenue around 43rd Street. Does that comport with your  
7 understanding of where Chabad of Midtown is located?

8 A. Yes.

9 MR. BELL: Let's take that down.

10 Q. Did there come a time after -- before we get there, do you  
11 recall how long you, Mr. Seabrook, and others were at the Grand  
12 Havana Club?

13 A. No.

14 Q. Do you recall the circumstances under which you left that  
15 evening?

16 A. No.

17 Q. Now did there come a time after that day when you received  
18 a reimbursement for the \$60,000 you laid out for Mr. Seabrook?

19 A. Yes.

20 MR. BELL: So I want to direct your attention to  
21 Government Exhibits 1065 and 1066, which the government now  
22 offers, I believe without objection.

23 THE COURT: Okay, they're in.

24 (Government's Exhibits 1065 and 1066 received in  
25 evidence)

HAUJSEA1

Rechnitz - direct

1 MR. BELL: Let's publish 1065, Ms. Bustillo.

2 Let's focus in on the text.

3 Q. This is an email from you to Mr. Huberfeld. It's dated  
4 December 14, 2:53 p.m. The subject line is tomorrow. The body  
5 of the email reads: Levin, please coordinate with  
6 Mr. Huberfeld tomorrow. He has a reimbursement check for JSR  
7 for \$50,000 that will be delivered to you tomorrow. Please  
8 deposit it. Thank you.

9 Now Mr. Rechnitz, the actual email appears to be  
10 addressed to Mr. Huberfeld, but you write Levin at the  
11 beginning of the email. Do you have a recollection of what  
12 happened here?

13 A. Yeah, I made a mistake. I meant to send to it Levin as  
14 well. I meant to copy Levin.

15 Q. You also said in the email that Mr. Huberfeld had a  
16 reimbursement check for \$50,000 that would be delivered  
17 tomorrow. Why \$50,000?

18 A. It may have been a typo, just like I forgot to add Levin.

19 Q. Then you also used the phrase "reimbursement check."

20 Now what meaning did you give to reimbursement here,  
21 Mr. Rechnitz?

22 A. To reimburse me for the cash I paid Norman with on behalf  
23 of Murray.

24 Q. Would "reimbursement" be a word that you've used to  
25 describe the cover story with the Knicks tickets?

HAUJSEA1

Rechnitz - direct

1 MR. SCHECHTMAN: Objection, leading.

2 THE COURT: Sustained. Rephrase that.

3 Q. Mr. Rechnitz, you testified about the invoice plan that you  
4 and Mr. Huberfeld discussed last week. Do you recall that?

5 A. Yes.

6 Q. Had you in fact been picking up a check for Knicks tickets  
7 as discussed, would you have used the word "reimbursement?"

8 MR. SCHECHTMAN: Same objection.

9 THE COURT: Overruled. You may answer.

10 A. Could you repeat the question, please?

11 Q. Had you in fact been picking up a check for Knicks tickets,  
12 would you have used the word "reimbursement?"

13 MR. SCHECHTMAN: Objection.

14 A. Yes.

15 MR. BELL: I think there was an objection, there,  
16 Judge.

17 THE COURT: It's overruled.

18 MR. BELL: Let's take that down.

19 Now let's direct your attention to Government  
20 Exhibit 1066, and let's go to the second page. This is the  
21 beginning of an email thread between I believe yourself and  
22 Mr. Prado. On December 15, 2014 at 4:10 you write: Did Murray  
23 reach you?

24 Let's take that down.

25 Mr. Prado says: Yes, I spoke to someone in his office

HAUJSEA1

Rechnitz - direct

1 just before you called. A messenger is on his way already to  
2 pick up the envelope. As soon as I have it, I will email you.

3 Let's to to the first page.

4 And let's look at just that bottom email first. You  
5 then write on December 15 at 4:13: Okay, deposit the check to  
6 JSR and add to account and my list and send new balance and  
7 hold their check for me.

8 And let's look at the next one up.

9 Mr. Prado writes just received the checks. I am not  
10 able to deposit the JSR check until tomorrow morning. Citibank  
11 has changed their hours and now close at 5:00 p.m. on Mondays.

12 Then you say to Mr. Prado at 5:07: Okay, first thing,  
13 please.

14 Let's take that down.

15 BY MR. BELL:

16 Q. And Mr. Rechnitz, did see the actual check before Mr. Prado  
17 deposited it?

18 A. No.

19 Q. Did there come a time when you saw a record of the check?

20 A. Yes.

21 Q. And how did you see the record of the check?

22 A. I have copies of all my bank statements, copies of checks.

23 MR. BELL: So I will ask Ms. Bustillo that we put up  
24 Government Exhibit 105, which is already in evidence. This is  
25 a JSR Capital Citibank account. We go to page 1933, please.

HAUJSEA1

Rechnitz - direct

1 Q. Are you familiar with this instrument, sir?

2 A. Yes.

3 Q. And what is it?

4 A. This is the reimbursement check for the fake Knicks invoice  
5 with the cash I laid out on Murray's behalf.

6 MR. BELL: Could you highlight the date, December 15,  
7 2014, the amount, \$60,000, the paid to order of, then the  
8 signature.

9 Q. Now at around this time, December of 2014, had you and  
10 Mr. Huberfeld earlier discussed the possibility of his paying  
11 you for your role in this deal with Mr. Seabrook?

12 A. Yes.

13 Q. What do you recall of that discussion and how it ended?

14 A. I had told Murray that I didn't need payment on this, and  
15 he said he doesn't want anyone to say Murray Huberfeld doesn't  
16 pay, so he said he wants to give to some charity in my honor,  
17 places I wanted to give.

18 Q. What did you say to that?

19 A. I said okay.

20 Q. Did you discuss any particular charities at that point in  
21 December of 2014?

22 A. I did.

23 Q. What charities, if any, did you discuss?

24 A. My kids' school, Yeshiva Ketana, they had an upcoming  
25 dinner, so Murray had given them a check for \$18,000 towards my

HAUJSEA1

Rechnitz - direct

1 request.

2 Q. And where did the \$18,000 figure come from?

3 A. It was a number we had chosen. There was a certain amount  
4 of charity Murray wanted to give from me.

5 MR. BELL: So could we publish what's in I believe as  
6 Government Exhibit 103A from the Platinum Partners bank account  
7 at Sterling National Bank, and can we publish page 483.

8 There are a number of checks labeled here. Could it  
9 be possible, Mr. Bustillo, to zoom in on the check labeled  
10 2965. That is a check dated December 15, 2014 for \$18,000,  
11 made payable to Yeshiva Ketana Manhattan.

12 (Continued on next page)

13  
14  
15  
16  
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19  
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23  
24  
25



HAUJSEA3

Rechnitz - direct

1 Q. Mr. Rechnitz, is that the name of your kid's school?

2 A. Yes.

3 MR. BELL: Let's highlight the signature as well.

4 Let's take that down. .

5 Q. Mr. Rechnitz, did there come a time when you learned of  
6 Mr. Seabrook's attending at a Huberfeld family function?

7 A. Yes.

8 Q. What was it that you learned?

9 A. That I was in Los Angeles, but I was invited to an event in  
10 the Lincoln Square Synagogue for a new grandchild to Murray.

11 Q. What was the nature of the event?

12 A. It is 30 days after the first grandson is born, it is  
13 called a Pidyon Haben, which is redemption of the first born.

14 Q. Can you spell the Hebrew term for the reporter, please.

15 A. I'll try. P I D Y O N, H A B E N.

16 Q. Now, how did you come to learn that Mr. Seabrook had  
17 attended that event?

18 A. Murray had told me, sent me an email.

19 Q. What did Mr. Huberfeld tell you about Mr. Seabrook's  
20 attendance at that event?

21 A. That he came to the event and told me that he gave a very  
22 generous gift.

23 Q. Do you recall what that gift was?

24 A. Yes, a thousand dollars in cash.

25 Q. Was that, to your knowledge and in your experience, typical

HAUJSEA3

Rechnitz - direct

1 of gifts given at this sort of event?

2 A. No.

3 Q. Did you ever discuss Mr. Seabrook's presence at that event  
4 with Mr. Seabrook?

5 A. Afterwards I told him I heard he went, that was so nice of  
6 him and that they were really touched with his gift.

7 Q. What, if anything, did Mr. Seabrook say?

8 A. I don't remember exactly what he said.

9 MR. BELL: Now, at this point, your Honor, the  
10 government would like to read a stipulation. It is marked as  
11 Government Exhibit 1506.

12 It is hereby stipulated and agreed between the parties  
13 that from January 12th, 2015 through May 12th, 2015, law  
14 enforcement officers from the Federal Bureau of Investigation  
15 conducted judicially authorized wiretap intercepts of  
16 communications over a cellular telephone with call No.  
17 917-468-24 00, used by Jeremy Reichberg. We'll call the  
18 Reichberg phone.

19 The following government exhibits contain true and  
20 accurate recordings of calls intercepted over the Reichberg  
21 phone on the following dates and times. There is then a list  
22 of exhibits, Exhibits 901 through 910, with the number of the  
23 phone that that phone was in contact with and the dates and  
24 time of the call.

25 From January 12th, 2015 through May 12th, 2015, law

HAUJSEA3

Rechnitz - direct

1 enforcement officers of the FBI conducted judicially authorized  
2 wiretap intercepts, communications over a Telephone  
3 646-283-3283 used by Jona Rechnitz, the Rechnitz phone.

4 The following government exhibits contain true and  
5 accurate recordings of calls intercepted over the Rechnitz  
6 phone over the following dates and times, and there, too, there  
7 is a list of a couple of exhibits, the phone number on the  
8 other end, the dates and the Times of those calls.

9 Government Exhibits 901-T through 912-T are true and  
10 accurate transcripts of the recorded telephone conversations  
11 contained in Government Exhibits 901 through 912 respectively.  
12 The dates, times, participants in the calls and phone numbers  
13 used for each of the Government Exhibits 901-T through 912-T  
14 are accurately depicted in the corresponding transcripts.

15 It is at this point I tell you to look understand your  
16 seats, don't get excited, look in your binder. The binder  
17 contains transcripts of those calls which you can use to follow  
18 along. That is what I just referenced, the T exhibits.

19 It is further stipulated and agreed between the  
20 parties that the stipulation which is Government Exhibit 1506,  
21 Government Exhibits 901 through 912 may be received in evidence  
22 as government exhibits at trial, and it is further stipulated  
23 and agreed that Government Exhibits 901-T through 912-T; that  
24 is to say, the portions in your binders may be used as aids to  
25 the jury at trial. It is dated October 23 and signed by the

HAUJSEA3

Rechnitz - direct

1 parties.

2 At this time, your Honor, the government offers  
3 Government Exhibits 901, 902, 905 through 908, 911, 912 into  
4 evidence pursuant to the stipulation.

5 THE COURT: Okay.

6 (Government Exhibits 901, 902, 905 through 908, 911  
7 and 912 received in evidence)

8 MR. BELL: We would ask the jurors, we are first going  
9 to play --

10 THE COURT: Before you play that, do counsel want my  
11 instruction regarding transcripts at this time or not?

12 MR. BELL: If your Honor has a standard one that you  
13 use.

14 MR. MAZUREK: That is fine, your Honor.

15 THE COURT: Okay. So, members of the jury, let me  
16 give you a quick instruction here.

17 A recording has been admitted into evidence and a  
18 transcription of the recording has been provided to you. The  
19 recording itself, not the transcription, is the evidence. The  
20 transcription is not an official court reporter's transcript.  
21 The transcription was prepared only for the purpose of  
22 assisting the jury in following the recordings.

23 Transportation may not be completely accurate. It may  
24 contain errors, omissions or notations of inaudible portions of  
25 the recording. Therefore, you should use the transcription

HAUJSEA3

Rechnitz - direct

1 only as a guide to help you in following along with the  
2 recording. If there is a discrepancy between your  
3 understanding of the recording and the transcription, your  
4 understanding of the recording must prevail.

5 Go ahead, counsel.

6 MR. BELL: Thank you, your Honor.

7 Ladies and gentlemen, we would like to begin with  
8 Government Exhibit 911. So I would ask you to turn to  
9 Government Exhibit 911-T, which is an aid for that exhibit. It  
10 is a January 15th, 2015 call at 10:30 pm. Ms. Bustillo, are  
11 you ready? May I ask you to play the first 20 seconds of that  
12 call.

13 (Tape played)

14 BY MR. BELL:

15 Q. Now, Mr. Rechnitz, do you recognize the voices in this  
16 recorded conversation?

17 A. Yes.

18 Q. Whose voices are they?

19 A. Mine and Murray Huberfeld.

20 Q. Of those, who was the person saying, "my long lost friend"?

21 A. That is Murray saying that to me.

22 MR. BELL: I'll note on the record we have handed  
23 Mr. Rechnitz a binder with the T exhibits as well. Ms.  
24 Bustillo, can we continue to play that call until the minute  
25 and 5 second mark. Before we do, we will offer the wiretap

HAUJSEA3

Rechnitz - direct

1 stipulation as well. I don't believe I formally did, and that  
2 is 1506?

3 THE COURT: It is in.

4 (Government Exhibit 1506 received in evidence)

5 BY MR. BELL:

6 Q. Now, Mr. Rechnitz, this call is of January 15th 2015.  
7 About how long after you paid Mr. Seabrook did this call take  
8 place?

9 A. About a month.

10 MR. BELL: Can we go ahead, Ms. Bustillo, and play  
11 until the minute and 5 second mark.

12 (Tape played)

13 BY MR. BELL:

14 Q. Now, Mr. Rechnitz, why did you tell Mr. Huberfeld that you  
15 had texted Norman Seabrook?

16 A. Because Murray wanted him to put more money into Platinum  
17 and was asking me to get more money from him.

18 Q. Had you spoken with Mr. Huberfeld since the date of the  
19 payoff up until this, the date of this call about Mr. Seabrook?

20 A. Yes.

21 Q. What sort of conversations had you had?

22 A. That Norman was working on getting more money, but he  
23 wasn't happy with the arrangement and that he only got \$60,000.

24 Q. What was happening at around this time regarding  
25 Mr. Murray's search for investments from the union?

HAUJSEA3

Rechnitz - direct

1 A. Pardon?

2 Q. What was happening at around this time with respect to  
3 Murray's search for investors investing more money?

4 A. I am not sure I follow your question.

5 Q. Let's keep going.

6 What, if any, involvement did Mr. Reichberg have with  
7 trying to get Mr. Huberfeld and Platinum more COBA money that  
8 you were aware of at this time?

9 A. None. If you recall, I testified that Norman did not want  
10 Jeremy in the loop.

11 MR. BELL: Now, I will now direct everyone's attention  
12 to Government Exhibit 901, and I ask the jury to turn to 901-T,  
13 the aid for that. This is a January 21st call at 10:23 in the  
14 morning, featuring Mr. Reichberg and Mr. Huberfeld. Can we  
15 first play the first 44 seconds, please.

16 (Tape played)

17 BY MR. BELL:

18 Q. Now, do you recognize Mr. Reichberg's voice here,  
19 Mr. Rechnitz?

20 A. I do.

21 Q. The date and the time of the call here, January 21st, 2015,  
22 at 10:23 am, where were you at this time, Mr. Rechnitz?

23 A. Los Angeles.

24 Q. What were you doing in Los Angeles?

25 A. Was there with my family for winter vacation.

HAUJSEA3

Rechnitz - direct

1 Q. About how long were you there for winter vacation?

2 A. I think about 10 days.

3 Q. A reference is made to a situation by Mr. Reichberg. Are  
4 you familiar with the situation that Mr. Reichberg is talking  
5 about?

6 A. Yes.

7 Q. What was the situation?

8 A. That Norman wasn't thrilled with the amount of money he was  
9 paid.

10 MR. BELL: Well, why don't we go ahead and play the  
11 rest of the call, Ms. Bustillo.

12 (Tape played)

13 BY MR. BELL:

14 Q. Now, there's a point there where Mr. Reichberg says he told  
15 me he's putting in 5 and another month putting in another 5.

16 Did you hear that part, Mr. Rechnitz?

17 A. I did.

18 Q. Had you had discussions with Mr. Seabrook at around this  
19 time about getting Mr. Huberfeld and Platinum Partners more  
20 COBA money?

21 A. No.

22 MR. BELL: Now I want to direct your attention to  
23 Government Exhibit 902. I direct the jurors to 902-T, which is  
24 the aid in your binder. This is a January 26th, 2015 call, at  
25 3:21 pm. Can we play the first 15 seconds or so, Ms. Bustillo,



HAUJSEA3

Rechnitz - direct

1 and then stop.

2 (Tape played)

3 BY MR. BELL:

4 Q. Do you recognize those voices, Mr. Rechnitz?

5 A. Yes.

6 Q. Whose voices are they?

7 A. Norman Seabrook and Jeremy Reichberg.

8 MR. BELL: Let's play the rest of this January 26th  
9 call.

10 (Tape played)

11 BY MR. BELL:

12 Q. Now, did Mr. Huberfeld, to your knowledge, have an event at  
13 around this time in January 2015?

14 A. Yes.

15 Q. What was the event?

16 A. The one we spoke about before, Lincoln Square Synagogue,  
17 the Pidyon Haben. Event.

18 Q. Did you go?

19 A. No.

20 Q. Why not?

21 A. I was in Los Angeles.

22 Q. Do you know if Mr. Seabrook went?

23 A. Yes.

24 Q. Did he?

25 A. Yes.

HAUJSEA3

Rechnitz - direct

1 Q. How do you know that?

2 A. Jeremy told me, Murray told me and Norman told me.

3 MR. BELL: So now I will direct your attention to  
4 Government Exhibit 905, and I direct the jury to 905-T, the aid  
5 in the binder. This is a January 27th, 2015 call, 6:52 pm.  
6 Can you go ahead and play the first 30 seconds.

7 (Tape played)

8 BY MR. BELL:

9 Q. Now, do you recognize the voices, Mr. Rechnitz?

10 A. I do.

11 Q. Whose voices are they?

12 A. Jeremy Reichberg and Murray Huberfeld.

13 MR. BELL: Why don't we go ahead and play the rest of  
14 this January 27th, 2015 call.

15 (Tape played)

16 MR. BELL: So I want to start at the beginning and  
17 play back some portions of the call. Ms. Bustillo, can you  
18 play the first 50 seconds, please, 5-0, 50, thank you.

19 (Tape played)

20 BY MR. BELL:

21 Q. Now, the portion where Mr. Huberfeld says, "I'm under some  
22 pressure," did you hear that, Mr. Rechnitz?

23 A. I did.

24 Q. At around this time, which is to say, late January of 2015,  
25 did you have any conversations with Mr. Huberfeld about him

HAUJSEA3

Rechnitz - direct

1 needing more money for any of the Platinum funds?

2 A. No.

3 Q. Was Mr. Huberfeld at this point trying to get you to get  
4 Mr. Seabrook and COBA to bring more money in at around this  
5 time?

6 A. Yes.

7 Q. What conversations did you have about that?

8 A. That he wanted to get more money from them and that they  
9 were doing well and I should pursue Norman further.

10 MR. BELL: Let's play the rest of the call, Ms.  
11 Bustillo.

12 (Tape played)

13 BY MR. BELL:

14 Q. Mr. Rechnitz, there is a portion at which Mr. Reichberg  
15 says, "Jona feels like he has an issue." At that point did you  
16 have an issue with Mr. Seabrook?

17 A. Yes.

18 Q. What was the issue?

19 A. That he only got \$60,000. He was expecting more and that I  
20 told him he'll start getting his annuity payment of half  
21 percent calculation from the beginning of the year.

22 MR. SHECHTMAN: My apologize. I missed the last part  
23 of the answer.

24 THE COURT: Hold on. Have that read back.

25 (Record read)

HAUJSEA3

Rechnitz - direct

1 BY MR. BELL:

2 Q. To your understanding, had there been an annuity payment at  
3 that point?

4 A. No.

5 Q. Now I want to direct your attention to Government Exhibit  
6 906. Ladies and gentlemen of the jury, I direct your attention  
7 to 906-T the aid. This is a January 27th, 2015 call, at 6:54  
8 pm. Ms. Bustillo, I would like you to start by playing the  
9 first 12 seconds.

10 (Tape played)

11 BY MR. BELL:

12 Q. Are you familiar with those voices, Mr. Rechnitz?

13 A. Yes.

14 Q. Whose are they?

15 A. Jeremy Reichberg and Murray Huberfeld.

16 MR. BELL: Can we go ahead and play the remainder of  
17 this call, which like the previous one, is January 27th, at  
18 around 6:54.

19 (Tape played)

20 BY MR. BELL:

21 Q. Did you know at this time whether Mr. Reichberg was helping  
22 to get Mr. Huberfeld other unions to invest in Platinum  
23 Partners?

24 A. No.

25 MR. BELL: Why don't we now direct your attention to

HAUJSEA3

Rechnitz - direct

1 Government Exhibit 907, and I will ask the jury to turn to  
2 907-T, the applicable aid. This is a January 29th, 2015 call  
3 at 7:00 pm. I will ask you to play the first 25 seconds, Ms.  
4 Bustillo.

5 MR. SHECHTMAN: If this is to identify voices, the  
6 voices which are indicated are those.

7 THE COURT: So I think there is a stipulation to the  
8 voices there. Is that correct?

9 MR. SHECHTMAN: That's correct.

10 MR. BELL: Why don't we play the whole shebang, Ms.  
11 Bustillo. Thank you.

12 (Tape played)

13 MR. BELL: What I will ask you to do now, not for the  
14 purposes of identification Ms. Bustillo, play the first minute  
15 or so of that call again.

16 (Tape played)

17 BY MR. BELL:

18 Q. A couple of things here, Mr. Rechnitz.

19 First, in the beginning the reference is made to Shea  
20 Schwebel.

21 A. Yeah.

22 Q. Are you familiar with who or what she is?

23 A. Yes.

24 Q. Who is Shea Schwebel?

25 A. My old neighbor.

HAUJSEA3

Rechnitz - direct

1 Q. Also there is reference to schachris this morning?

2 A. A prayer service.

3 Q. There was also a portion where Mr. Reichberg says you  
4 couldn't say anything, right. Do you recall that?

5 A. Yes.

6 Q. And Mr. Huberfeld's response was no. Did Mr. Huberfeld  
7 ever ask Mr. Seabrook directly, as far as you're aware, for  
8 money from COBA?

9 A. No.

10 Q. How did Mr. Huberfeld at this point make this request for  
11 additional money?

12 A. Through me. I was the middleman.

13 MR. BELL: Why don't we just play the rest of that  
14 call from that point on. Thank you, Ms. Bustillo.

15 (Tape played)

16 BY MR. BELL:

17 Q. Mr. Rechnitz, did you know at this point that Mr. Reichberg  
18 was working on Mr. Seabrook?

19 A. No.

20 MR. BELL: I want to direct your attention now to  
21 Government Exhibit 912, and I direct the ladies and gentlemen  
22 of the jury to 912-T. That is a January 29th, 2015 call at  
23 9:51 pm between Mr. Rechnitz -- that is you -- and Mr.  
24 Huberfeld. Why don't we go ahead and play the whole call.

25 (Tape played)

HAUJSEA3

Rechnitz - direct

1 MR. BELL: Now, as for this call, Ms. Bustillo, would  
2 you go back and play the first 42 seconds of that  
3 conversation -- actually, just up until the first minute.

4 (Tape played)

5 BY MR. BELL:

6 Q. Now, there is a portion where Mr. Huberfeld says so I  
7 didn't want to say anything, Norman give me \$10 million for  
8 February 1st because I want you to do that, but he is ready to  
9 go. What did you understand Mr. Huberfeld to be saying here?

10 A. That he wants me to push Norman to invest another 10  
11 million into Platinum.

12 Q. There was a point where he says he didn't want to say  
13 anything, but he wanted you to do that. What was your  
14 understanding of why?

15 A. They had never spoken directly about investments prior. It  
16 always went through me.

17 THE COURT: Counsel, it is 11:30. Is this a good time  
18 for a break?

19 MR. BELL: It is, your Honor -- although I may be able  
20 to complete -- this is the last of the calls. Perhaps another  
21 minute or so I will be completely out of the calls. That might  
22 be a bit more logical time.

23 THE COURT: Is there the jury okay if we go another  
24 minute or two? (Pause) Go ahead, counsel.

25 MR. BELL: Can we go ahead and keep playing until the

HAUJSEA3

Rechnitz - direct

1 end of the call, like I have one or two more questions.

2 (Tape played).

3 MR. BELL: Can you stop there, Ms. Bustillo.

4 BY MR. BELL:

5 Q. Now, Mr. Rechnitz, it says okay, what's with this other  
6 thing. What did you decide you want me to do?

7 Do you have an understanding of what the other thing  
8 was that Mr. Huberfeld was referring to at the time?

9 A. Yes.

10 Q. What was the other thing?

11 A. It was an unrelated business matter about him providing me  
12 a mortgage on one of the properties I was purchasing.

13 MR. BELL: This might be a good time.

14 THE COURT: Again, don't do any research regarding any  
15 of the people or the issues in this case. Don't discuss this  
16 case with anyone or allow anyone to discuss this case with you.  
17 Let's get you back here at 12:07. Thank you.

18 (Jury excused)

19 THE COURT: Please be seated. Let's have everyone  
20 wait three minutes. I suppose the witness can go ahead and be  
21 excused now.

22 (The witness left the courtroom)

23 THE COURT: While we've got counsel here, let's talk  
24 about the end of the day today. I will give the jurors the  
25 usual instructions I have been giving them about not reading



HAUJSEA3

Rechnitz - direct

1 anything or listening to anything in this case and the other  
2 usual instructions. I will also tell them to make sure they  
3 remove any personal items from the jury room at the end of the  
4 day. Is there anything else I need to tell the jury at the end  
5 of the day today?

6 MR. BELL: No, your Honor.

7 MR. MAZUREK: No, your Honor.

8 THE COURT: Let me get a sense from the government,  
9 how much longer with this witness on direct?

10 MR. BELL: Not much. We will be done inside of a half  
11 our, maybe quite a bit sooner.

12 THE COURT: All right. Which defense counsel is going  
13 first with this witness?

14 MR. MAZUREK: I am.

15 THE COURT: So again in a few minutes I will let  
16 counsel and everyone else go. Let's get counsel back here at  
17 like 12:02 to avoid any unnecessary bumping into jurors. Let's  
18 wait another 45 minutes.

19 (Luncheon recess)

20 (Continued on next page)

HAUTSEA4

Rechnitz - direct

1 AFTERNOON SESSION

2 (12:10 p.m.)

3 (Jury not present)

4 THE COURT: While we're waiting for the jurors, is  
5 there anything else that we need to discuss?

6 MR. BELL: I don't believe so, your Honor.

7 THE COURT: Okay, let's get the witness back on the  
8 witness stand.

9 Let's bring in the jury.

10 (Jury present)

11 THE COURT: Let's continue. Go ahead, counsel.

12 MR. BELL: Thank you, your Honor.

13 BY MR. BELL:

14 Q. Good afternoon, Mr. Rechnitz.

15 A. Good afternoon.

16 Q. We have spoken before about your Knicks season tickets and  
17 the big invoice for eight of those games to Platinum Partners.  
18 Do you recall those discussions?

19 A. Yes.

20 MR. BELL: At this time, your Honor, I would like to  
21 read a stipulation into the record. The stipulation is  
22 Government Exhibit 1509.

23 It is hereby stipulated and agreed between the parties  
24 that Government Exhibits 1201 and 1202 are hard drives  
25 containing true and accurate video footage provided by the

HAUTSEA4

Rechnitz - direct

1 National Basketball Association, NBA, from various camera  
2 angles for the various games listed in the below chart, all of  
3 which occurred at Madison Square Garden in New York, New York.

4 Each folder within Government Exhibits 1201 and 1202  
5 is labeled according to the game whose footage is depicted in  
6 the contents of the folder. Specifically, the folders depict  
7 the following games. There's then a chart listing folder name,  
8 the dates of games and the game that took place, for example,  
9 the New York Knicks versus Chicago Bulls, the New York Knicks  
10 versus the Charlotte Hornets and so on, approximately 22 of  
11 these.

12 Government Exhibits 1203 through 1226 consists of  
13 still images taken from the video footage contained on  
14 Government Exhibits 1201 and 1202. The specific camera angles,  
15 games and times for each exhibit, is depicted in the following  
16 table. Once again, there is a chart listing Exhibits 1220 --  
17 sorry, 1203 through 1226, the specific camera angle, the dates  
18 and the times within the recording.

19 Further, if called to testify, Benjamin Brafman would  
20 testify that he received two tickets from Jona Rechnitz to each  
21 of the New York Knicks games at Madison Square Garden on  
22 November 10, 2014, and January 19, 2015, that he attended the  
23 November 2010 game with a relative, and that he provided the  
24 tickets he received from Jona Rechnitz for the January 19, 2015  
25 game to two relatives who attended the game.

HAUTSEA4

Rechnitz - direct

1           If called to testify, Sarah Mandelbaum would testify  
2       that she attended the February 1st, 2015 New York Knicks game  
3       at Madison Square Garden with Jared Rechnitz, Jona Rechnitz's  
4       brother, at the invitation of Jona Rechnitz; she is the  
5       individual identified as "A" on Government Exhibits 1219 and  
6       1220, and Jared Rechnitz is the individual identified as "B" on  
7       Government Exhibits 1219 and 1220.

8           If called to testify, Zev Schick would testify that he  
9       purchased four courtside tickets from Jona Rechnitz for the  
10      December 7, 2014 New York Knicks game at Madison Square Garden.  
11      Mr. Schick provided those tickets to four other persons who  
12      attended the game, the individuals identified as A, B, C, and D  
13      on Government Exhibits 1213 and 1214 are the individuals to  
14      whom Mr. Schick gave the tickets he purchased from Jona  
15      Rechnitz.

16           It is further stipulated and agreed that this  
17      stipulation, which is Government Exhibit 1509, as well as  
18      Government Exhibits 1201 through 1204, 1207 through 1216, and  
19      1219 through 1226, may be received in evidence as government  
20      exhibits at trial. It's signed by the parties.

21           Your Honor, at this time the government offers through  
22      the stipulation 15, 19, 1201 through 1204, 1207 through 1216,  
23      and 1219 through 1226.

24           THE COURT: Okay, those are in.

25           (Government's Exhibits 15, 19, 1201 through 1204, 1207

HAUTSEA4

Rechnitz - direct

1 through 1216, and 1219 through 1226 received in evidence)

2 BY MR. BELL:

3 Q. Mr. Rechnitz, when did you start getting season tickets for  
4 the Knicks?

5 A. I think in 2011.

6 Q. And how did you start getting them?

7 A. I purchased them on StubHub.

8 Q. When you started getting actual season tickets, how did you  
9 go about getting those?

10 A. So somebody in the Garden told me who I had purchased the  
11 tickets from and gave me his contact info, and I called him and  
12 I made him a deal to take over his seats each season.

13 Q. And did you in fact do that?

14 A. I did.

15 Q. Once you took over the seats, did you split them with  
16 anyone?

17 A. I did.

18 Q. Who did you split them with?

19 A. Jason Nissen.

20 Q. How many tickets for each game did you get?

21 A. We split the season, but we had two tickets per game.

22 Q. And where were those seats located?

23 A. On the court, courtside seats.

24 Q. And you testified earlier that those tickets were Section  
25 12, Seats 9 and 10AA?

HAUTSEA4

Rechnitz - direct

1 A. Yes.

2 Q. Where on the court were those seats located?

3 A. Across from the visitor's bench between the three point  
4 line and the half court line.

5 Q. So I first want to show you what is already in evidence as  
6 Government Exhibit 204.

7 Now I believe that you testified earlier that this was  
8 an invoice for your tickets for the 2014/2015 season from the  
9 National Event Company.

10 A. Yes.

11 Q. Why did you do this via invoice for Neco?

12 A. We had a running balance, and Neco had owed me money, so  
13 this was deducted from that balance.

14 Q. How many preseason games did you have for that season?

15 A. Two.

16 Q. And I believe we had you count earlier, you testified that  
17 there were 22 regular season games. Do you recall that  
18 testimony?

19 A. Yes.

20 Q. Now how did you pay Neco for this? And I think you started  
21 to tell us that, too.

22 A. Again, Neco paid for them, for this particular season, and  
23 invoiced me to take off the amount of money that he owed me.

24 Q. How much did each set of two tickets cost?

25 A. \$6,800 for the pair per game.

HAUTSEA4

Rechnitz - direct

1 Q. At that price, approximately, what was the value of the  
2 games at \$6,800 per game?

3 A. Pardon?

4 Q. What was the value -- approximately what was the value of  
5 eight games at 6,800 per game?

6 A. I think it comes out to around 53 or \$54,000.

7 Q. Now generally, Mr. Rechnitz, what did you do with your  
8 season tickets?

9 A. I went to games, I took friends, investors, or I sold a  
10 couple of games.

11 MR. BELL: Now we just read a stipulation,  
12 Mr. Rechnitz, regarding footage from a number of games for that  
13 season. What I would like to do is ask you about some of the  
14 regular season games you had tickets to, show you some of the  
15 footage from those games and other materials.

16 I want to go through a number of tickets, and what I  
17 ask you to do is put 204 up on the left and cycle in some of  
18 the other exhibits are.

19 Now before we start with the other exhibits on the  
20 right, I note here the first regular season game is a game  
21 against the Chicago Bulls on October 29, 2014.

22 Q. Do you see that, Mr. Rechnitz?

23 A. I do.

24 Q. At around this time do you recall an event taking place  
25 within your family?

HAUTSEA4

Rechnitz - direct

1 A. Yes, my grandmother passed away that week.

2 Q. Now do you recall what happened to the tickets for that  
3 game?

4 A. I think I sold them.

5 Q. And this game occurred before or after the fake invoice to  
6 Platinum Partners?

7 A. This came before.

8 MR. BELL: So what I want to do is show a number of  
9 exhibits from the stipulation. As I do so, I will just point  
10 out some of the information from the stipulation. Obviously  
11 the jury will be able to review that later on, if it so  
12 chooses.

13 Could we put up Government Exhibit 1203. And is it  
14 possible for us to also put up Government Exhibit 1204, which  
15 is to say, could we split the right panel?

16 So per the stipulation, these images pertain to a  
17 November 2nd, 2014 game against the Charlotte Hornets, and are  
18 about one hour, four minutes and 24 seconds into that footage.

19 BY MR. BELL:

20 Q. Mr. Rechnitz, are you able to see your seats in these  
21 images?

22 A. Yes.

23 Q. And can you see who is in your seats?

24 A. Yes.

25 Q. Who is in your seats?



HAUTSEA4

Rechnitz - direct

1 A. I'm in the seat with my wife.

2 MR. BELL: And can we, Ms. Bustillo, just circle the  
3 witness within 1203.

4 Ms. Bustillo, could we take down 1203 and 1204, and  
5 put up on the right 1207 and 1208. Per the stipulation, this  
6 is from a November 22nd, 2014 game against the Philadelphia  
7 76ers at the one hour, 15 minute and 46 second part of the  
8 footage?

9 MR. SCHECHTMAN: Judge, if it helps to move things on,  
10 we'll stipulate that's the witness and his wife in their seats.

11 MR. BELL: Yes, so stipulated.

12 THE COURT: So stipulated.

13 MR. BELL: Easy enough. Put up 1209, 1210, please.  
14 Per the stipulation, this is from a November 30, 2014 game  
15 against the Miami Heat.

16 Q. And are you able, Mr. Rechnitz, to see from these images  
17 who is in your seats here?

18 A. Yes.

19 Q. Who is in your seats?

20 A. Fernando Mateo with a friend of his.

21 MR. BELL: Can we, Ms. Bustillo, just replace 204 on  
22 the left for a moment with Government Exhibit 702 already in  
23 evidence.

24 Q. And that's Mr. Mateo on the left?

25 A. Yes, it is.

HAUTSEA4

Rechnitz - direct

1 MR. BELL: Can we now replace 702 with 240 once again.  
2 And I will ask you, Ms. Bustillo, to take out 1209 and 1210 and  
3 replace them with 1211 and 1212. Per the stipulation these are  
4 from a December 4th, 2014 game against the Cleveland Cavaliers  
5 about an hour in.

6 Q. Mr. Rechnitz, do you see who is in your seats here?

7 A. Yes.

8 Q. Who is here?

9 A. I am, and my friend Ari.

10 MR. BELL: Let's take down 1211, 1212, put up 1213 and  
11 1214.

12 Q. I believe that the stipulation made reference to some of  
13 the folks here, but in any event, Mr. Rechnitz, can you see who  
14 that is behind Imam Shumpert?

15 A. Yes.

16 Q. Who is in your seats?

17 A. My friend Steven.

18 THE COURT: Could we take that down.

19 Could we replace 1213 and 1214 with 1215 and 1216,  
20 please.

21 Q. Mr. Rechnitz, are you able to see who is in your seats?

22 A. Yes.

23 Q. Is who is the seats for this game per the stipulation at  
24 the January 8, 2015 game against the Houston Rockets?

25 A. I am, with my friend Allen.

HAUTSEA4

Rechnitz - direct

1 MR. BELL: Let's take that down.

2 The stipulation mentioned Benjamin Brafman's relatives  
3 having attended a January 19th game, 2015, against another  
4 team.

5 Can we replace the pictures on the right with 1219 and  
6 1220, please.

7 Q. I believe that the stipulation made reference to these two  
8 individuals. Do you recognize who is in your seats here?

9 A. I do not know them -- I would say yes, that's my brother  
10 and Sarah.

11 MR. BELL: Can we take those down and replace them  
12 with 1221 and 1222.

13 I should note the last images, 1219 and 1220, per the  
14 stipulation, are from a February 1st, 2015 game against the  
15 Lakers.

16 1221 and 1222, per the stipulation, are from a  
17 March 19, 2015 game against the Minnesota Timberwolves.

18 Q. And Mr. Rechnitz, are you able to make out who is in your  
19 seats here?

20 A. Yes.

21 Q. Who is in your seats here?

22 A. My friend Michael.

23 Q. What's Michael's last name?

24 A. Weinberger.

25 Q. Is this the same Mr. Weinberger who has come up elsewhere

HAUTSEA4

Rechnitz - direct

1 in your testimony?

2 A. Yes.

3 MR. BELL: Let's take that down.

4 Can you replace 1221 and 1222 with 1223 and 1224.

5 Per the stipulation, these are images from a March 25,  
6 2017 game against the Los Angeles Clippers.

7 Q. And Mr. Rechnitz, are you able to see who is in your seats  
8 here?

9 A. Yes, I am.

10 Q. Who is in your seats?

11 A. I am with my friend Ari.

12 MR. BELL: Let's take those down and replace them with  
13 1225 and 1226. Per the stipulation, this is from a game  
14 against the Brooklyn Nets April 1st, 2015.

15 Q. Are you familiar with who is in your seats at this game?

16 A. Yes, I am.

17 Q. Who is there?

18 A. I am there with Ari.

19 MR. BELL: Let's take those down.

20 Now Mr. Bustillo, could we also publish Government  
21 Exhibit 210.

22 Q. Mr. Rechnitz, what are we looking at in 210?

23 A. This is an invoice for tickets that I sold to a ticket  
24 brokerage called Great Seats.

25 Q. And do they pertain to the same season?

HAUTSEA4

Rechnitz - direct

1 A. They do.

2 MR. BELL: Can we look at the next part of the  
3 invoice, Ms. Bustillo, going down.

4 Q. Now the invoice make reference to the Knicks versus the  
5 Golden State Warriors, February 7, 2015, the Knicks versus the  
6 Cleveland Cavaliers, February 22nd, 2015 and the Knicks versus  
7 the San Antonio Spurs on March 17, 2015.

8 And what is it that you did with these seats,  
9 Mr. Rechnitz?

10 A. I sold the games.

11 Q. How much did you sell the Warriors tickets for?

12 A. For \$1,500 a ticket.

13 Q. How much did you sell the Cavaliers tickets for?

14 A. \$2,300 per ticket.

15 Q. How much did you sell the San Antonio Spurs tickets for?

16 A. For \$1,700 per ticket.

17 Q. Was this more than or less than the original face value of  
18 these tickets?

19 A. Less.

20 Q. Were these, as you understood it, relatively appealing  
21 games on the secondary market?

22 A. Yes.

23 Q. Could you give us a moment on each of them as to why that  
24 was the case?

25 MR. SCHECHTMAN: Your Honor, we stipulate that Lebron

HAUTSEA4

Rechnitz - direct

1 James plays for the Cavaliers and the Spurs have always been  
2 good.

3 THE COURT: What about Golden State?

4 MR. SCHECHTMAN: I missed Golden State. That's a very  
5 good team.

6 THE COURT: Okay. So stipulated.

7 MR. BELL: So stipulated. Thank you.

8 BY MR. BELL:

9 Q. Now are each of these three games, games that were sold to  
10 you from that invoice from Neco that we looked at before?

11 A. Yes.

12 Q. Now between the games that you saw footage of, games that  
13 we just mentioned, and games that were brought up in the  
14 stipulation, we have spoken about what you did with tickets of  
15 16 of the 22 games that season. Math would suggest that there  
16 are six left over, that there are six games left over.

17 Mr. Rechnitz, how many of your tickets did the fake  
18 invoice to Platinum purport to sell?

19 A. Eight games.

20 Q. Have you, by the way, reviewed footage from the remaining  
21 six games?

22 A. Yes.

23 Q. And in reviewing those games, did you take a look at who  
24 was your seats?

25 A. Yes.

HAUTSEA4

Rechnitz - direct

1 Q. Generally, what did you see?

2 A. They were empty or people that I didn't recognize.

3 Q. Now I asked about the secondary market as well. Was there  
4 a period during that season where you were more likely to  
5 resell your tickets?

6 A. Yes.

7 Q. When was that?

8 A. Friday night games or Jewish holidays or whenever I was out  
9 of town.

10 Q. Was there a period during the 2014/2015 Knicks season where  
11 you were out of town for an extended period of time?

12 A. Yes, two weeks in January.

13 Q. Let's switch gears slightly here.

14 As 2015 continued when you returned from Los Angeles,  
15 did you continue to try to raise money from Platinum Partners  
16 or raise investments for Platinum Partners?

17 A. Which point in time?

18 Q. So we're going from -- well, let's say early 2015 onward  
19 through 2015, but specifically once you got back from Los  
20 Angeles.

21 A. I don't think so.

22 Q. Did you have conversations from Mr. Seabrook -- withdrawn.

23 Did you have conversations with Mr. Seabrook, an  
24 existing investor, about potential future investments?

25 A. I don't think so.

HAUTSEA4

Rechnitz - direct

1 Q. Were you ever able to secure another investment from the  
2 correction officers union?

3 A. No.

4 Q. How about from other law enforcement unions?

5 A. No.

6 Q. Did there come a time in 2016 when you were contacted by  
7 law enforcement?

8 A. Yes.

9 Q. Approximately when was that?

10 A. I think it was February.

11 Q. And when you were contacted by law enforcement, who did you  
12 understand law enforcement officers to be?

13 A. The Internal Affairs Bureau for the NYPD.

14 Q. And what did you understand the Internal Affairs Bureau of  
15 the NYPD to be?

16 A. Basically cops who investigate other cops.

17 Q. When the officers who you understood to be from the  
18 Internal Affairs Bureau asked you questions -- well, first of  
19 all, when they visited you in 2015, did they ask questions?

20 A. Yes.

21 Q. What sorts of things did the folks from IAB ask you about?

22 A. They were asking me about Hamlet Peralta and the whole  
23 liquor business and if I knew any cops who had invested with  
24 him, how I met him, and if I knew any cops were on his payroll.

25 Q. Were you completely truthful in all your answers to those



HAUTSEA4

Rechnitz - direct

1 questions?

2 A. No.

3 Q. Were there things responsive to your questions that you did  
4 not tell them?

5 A. Yes.

6 Q. In what ways were you less than honest and candid with the  
7 law enforcement officers who approached you at that point in  
8 2015?

9 A. I had not told them about the investment Phil Banks made  
10 with me and I had not told them about the amounts of cash that  
11 Hamlet dealt with me.

12 Q. Now did there come another time in 2015 when you were  
13 contacted or when you had contact with law enforcement?

14 A. Yes.

15 Q. And approximately how much later was that and what was the  
16 nature of the contact?

17 A. A couple of months later the IAB came back, and also paid a  
18 visit to several investors of mine.

19 Q. And how did you come to know that the IAB also paid visits  
20 to investors of yours?

21 A. They told me.

22 Q. And when you spoke to the IAB at this point, were you  
23 completely honest and candid with them in response to their  
24 questions?

25 A. No.

HAUTSEA4

Rechnitz - direct

1 Q. In what respect were you less than completely truthful and  
2 candid?

3 A. Again, about the cash that I dealt with with Hamlet  
4 Peralta.

5 Q. And at this point, did the officers who approached you ask  
6 questions concerning Mr. Seabrook and Mr. Huberfeld?

7 A. No.

8 Q. At this point did you volunteer information about  
9 Mr. Seabrook and Mr. Huberfeld?

10 A. No.

11 Q. At the time that you were approached by the IAB in 2015,  
12 what, if anything, did you do with respect to evidence that  
13 linked you to the cops and the various other people you knew?

14 A. I destroyed it.

15 Q. In what ways did you destroy evidence?

16 A. I got new computers, I got rid of my old computers, and I  
17 changed my phone.

18 Q. Now at this time, what, if anything, happened to your  
19 relationship with Mr. Huberfeld?

20 A. Nothing changed at that point.

21 Q. How frequently were you in touch with him?

22 A. Often.

23 Q. Were you in touch with him about the law enforcement  
24 inquiry that was taking place?

25 A. Yes.

HAUTSEA4

Rechnitz - direct

1 Q. At this point, what happened to your relationship with  
2 Mr. Seabrook?

3 A. I basically shut him out. We didn't have further contact.

4 Q. And for what reason did you stop talking to Mr. Seabrook?

5 A. I was shook up about having any relationship at that point  
6 with any law enforcement officials or politicians or any of  
7 that sort of thing.

8 Q. How about your relationship with Mr. Reichberg?

9 A. Also distanced.

10 Q. And why did you distance yourself from Mr. Reichberg?

11 A. I wasn't sure who he was still in contact with, and he was  
12 the one who introduced me to the police and I didn't want  
13 anything to have any part of that.

14 Q. Did there come a point where you had contact with  
15 additional law enforcement during this period of time?

16 A. Yes.

17 Q. About when did that happen and what was the nature of the  
18 contact?

19 A. It was later that year, I met with the FBI in an attorney's  
20 office named Bob Fink.

21 Q. And did you answer questions at that time?

22 A. Yes.

23 Q. Were you completely honest or candid in answering those  
24 questions?

25 A. No.

HAUTSEA4

Rechnitz - direct

1 Q. In what ways were you less than completely honest or  
2 candid?

3 A. They asked me about who I had relationships with from law  
4 enforcement. I neglected to mention Norman. Again, I didn't  
5 tell them about Banks, the way I repaid Phil Banks. Part of it  
6 was paid back in cash, which I did not tell them, a small  
7 portion, and I also underestimated the amount of cash I  
8 received from Hamlet.

9 Q. When you said you underestimated the amount of cash you  
10 received from Hamlet, what did you mean by that?

11 A. I grossly misstated the amount of money that I received  
12 from Hamlet Peralta's commissions, which I split with Jeremy.  
13 We had received, I estimate, 3 to 400,000 over time, and I told  
14 them 20 or 30,000.

15 Q. Why weren't you truthful with them about these things at  
16 that time?

17 A. I didn't think they knew about them, and I wasn't at a  
18 point where I was ready to move forward and take  
19 responsibility. I still thought I would get away with things.

20 Q. Did there come a time when you did start to move forward  
21 and take responsibility?

22 A. Yes.

23 Q. And approximately when was this?

24 A. This was around Passover time of 2016.

25 Q. And what was it that you did or started doing around

HAUTSEA4

Rechnitz - direct

1 Passover of 2016?

2 A. That's when I began to meet the government and cooperate  
3 with the government.

4 Q. And in what way or ways did you cooperate with the  
5 government during this period of time?

6 A. I had a series of meetings, and I answered questions that I  
7 was asked.

8 MR. SCHECHTMAN: Judge, not all the jurors may know  
9 when Passover is.

10 Q. Approximately when was -- I gather that Passover is a  
11 little bit of a moving event. In any event, approximately when  
12 was Passover?

13 A. It's around Easter time, so April or May time.

14 Q. Thank you. Now did there come a time after that where you  
15 pled guilty to crimes?

16 A. Yes.

17 Q. Is that the same conduct that you described when we began  
18 talking about all of this on Thursday?

19 A. Yes.

20 MR. BELL: So I want to ask you, Ms. Bustillo, to  
21 publish Government Exhibit 1601.

22 Mr. Rechnitz, we asked you a number of questions about  
23 this. This was the cooperation agreement that you and the  
24 government signed.

25 Can we go to page 2, please. So what I'm going to do

HAUTSEA4

Rechnitz - direct

1 is read all of this, and I will ask you just to highlight  
2 certain portions as we go.

3 Q. It is understood that Rechnitz, A, shall truthfully and  
4 completely disclose all information with respect to the  
5 activities of himself and others concerning all matters about  
6 which this office inquires of him, which investigation can be  
7 used for any purpose.

8 What did you understand "this office" to refer to?

9 A. The U.S. Attorney's Office in the Southern District of New  
10 York.

11 Q. Then it says, B, shall cooperate fully with this office,  
12 Federal Bureau of Investigation, the New York City Police  
13 Department, and any other law enforcement agency designated by  
14 this office; C, shall attend all meetings at which this office  
15 requests his presence; D, shall provide to this office upon  
16 request any document, record, or other tangible evidence  
17 relating to matters about which this office or any designated  
18 law enforcement agency inquires of him.

19 MR. BELL: I will ask you to highlight E,  
20 Ms. Bustillo.

21 Q. Shall truthfully testify before the grand jury and at any  
22 trial or other court proceeding with respect to any matters  
23 about which this office may request his testimony.

24 Is it your understanding right now, Mr. Rechnitz, that  
25 you may have to testify at proceedings other than these?

HAUTSEA4

Rechnitz - direct

1 A. Yes.

2 Q. Concerning which individuals?

3 MR. SCHECHTMAN: Judge, I think we went through this.

4 THE COURT: Sustained.

5 MR. BELL: One moment, please.

6 (Pause)

7 MR. BELL: Thank you, your Honor.

8 May I continue?

9 THE COURT: Yes.

10 BY MR. BELL:

11 Q. Mr. Rechnitz, is it your understanding at this time that  
12 you may have to testify at other proceedings other than this  
13 one?

14 A. Yes.

15 Q. Let's go back to the exhibit and let's highlight F, shall  
16 bring to this office's attention all crimes which he has  
17 committed, and all administrative civil or criminal  
18 proceedings, investigations or prosecutions in which he has  
19 been or is a subject, target, party or witness; and G, shall  
20 commit no further crimes whatsoever. Moreover, any assistance  
21 Rechnitz may provide to federal criminal investigators shall be  
22 pursuant to the specific instructions and control of this  
23 office and designated investigators.

24 Now as you sit here now, Mr. Rechnitz, do you believe  
25 that you have disclosed all of the crimes you committed to the

HAUTSEA4

Rechnitz - direct

1 United States Attorney's Office?

2 A. I do.

3 Q. Have you answered the questions?

4 A. Yes.

5 Q. And generally speaking, Mr. Rechnitz, when you met with the  
6 government, what conduct did you tell the government about?

7 A. All my conduct that I was asked about.

8 Q. Can you hum a few bars as to specifics?

9 MR. SCHECHTMAN: Your Honor, I object to going over  
10 testimony that we have had ad nauseam.

11 MR. BELL: This is not a question that we asked.

12 THE COURT: Overruled.

13 Q. What conduct did you disclose to the U.S. Attorney's  
14 Office?

15 A. I disclosed to them the conduct of bestowing gifts upon  
16 police officers in exchange for favors, the donations that I  
17 made to the mayor and his office in the exchange for access,  
18 influence and favors, paying the bribe on behalf of Murray  
19 Huberfeld to Norman Seabrook, and other conduct that I'm not  
20 proud of, such as the insurance, health insurance issue we  
21 discussed, and other such conduct.

22 MR. BELL: Now if we could take down the blow up and  
23 go to the second full paragraph.

24 What I would ask you to do is highlight the sentence  
25 that begins, "In addition." Hold on, go to page 3, second full



HAUTSEA4

Rechnitz - direct

1 paragraph, there, about halfway down the paragraph, there's a  
2 sentence that begins "In addition."

3 Thank you.

4 The sentence I will ask you to highlight, is: In  
5 addition, if this office determines that Rechnitz has provided  
6 substantial assistance in an investigation or prosecution, and  
7 if he has fully complied with the understandings specified in  
8 this agreement, this office will file a motion pursuant to  
9 Section 5K1.1 of the sentencing guidelines requesting the Court  
10 to sentence Rechnitz in light of the factors set forth in  
11 Section 5K1.1A15.

12 BY MR. BELL:

13 Q. What do you understand that to mean, Mr. Rechnitz?

14 A. That means if I tell the truth and honor the terms of this  
15 agreement and I don't commit any further crimes, that the  
16 government will issue what is called a 5K letter at my  
17 sentencing to my sentencing judge, which will serve as a hope  
18 for leniency for me at my sentencing.

19 Q. What happens with respect to that 5K letter -- withdrawn.

20 What happens with whether you get a 5K letter if you  
21 do not tell the truth today and in the rest of your testimony?

22 MR. SCHECHTMAN: Objection.

23 THE COURT: Basis?

24 MR. SCHECHTMAN: Asked and answered.

25 THE COURT: Overruled.

HAUTSEA4

Rechnitz - direct

1 A. I did not get -- can you repeat the question, please?

2 Q. Sure. My question is what is your understanding of what  
3 happens with respect to the letter referenced here if you do  
4 not tell the truth?

5 MR. BELL: Your Honor, I object.

6 THE COURT: It's overruled.

7 What do you believe happens if you do not tell the  
8 truth here?

9 THE WITNESS: I do not get the 5K letter, my entire  
10 cooperation agreement is ripped up, and I am facing a 20-year  
11 sentence in front of a judge with no benefits of a cooperating  
12 agreement letter.

13 MR. BELL: Why don't we take that down.

14 Let's pull up the third full paragraph. Third  
15 paragraph reads: It's understood that should this office  
16 determine either that Rechnitz has not provided substantial  
17 assistance in an investigation or prosecution, or that Rechnitz  
18 has violated any provision of this agreement, such a  
19 determination will release this office from any obligation to  
20 file a motion pursuant to Section 5K1.1 of the sentencing  
21 guidelines, but will not entitle Rechnitz to withdraw his  
22 guilty plea once it has been entered.

23 Finally, could we look at the last paragraph, the  
24 first full sentence. Can you highlight the first full  
25 sentence.

HAUTSEA4

Rechnitz - direct

1           It is understood that should Rechnitz commit any  
2 further crimes, or should it be determined that he has given  
3 false, incomplete or misleading testimony or information, or  
4 should he otherwise violate any provision of this agreement,  
5 Rechnitz shall thereafter be subject to prosecution for any  
6 federal criminal violation of which this office has knowledge,  
7 including perjury and obstruction of justice.

8           Let's take that down, and we can take the whole  
9 exhibit down.

10       Q. Mr. Rechnitz, as you sit here today, what feelings, if any,  
11 do you have with respect Jeremy Reichberg?

12           MR. MAZUREK: Objection, relevance.

13           THE COURT: Let's have a quick sidebar on this.

14           (Continued on next page)

15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HAUTSEA4

Rechnitz - direct

1 (At sidebar)

2 THE COURT: Okay, what is the relevance of this?

3 MR. BELL: Well, Mr. Reichberg I think was a  
4 co-conspirator here, and it goes to bias as much as any similar  
5 question about the defenses would.

6 THE COURT: What do you mean by bias? What is it you  
7 are expecting him to say about Reichberg? You're asking his  
8 feelings about him. So whether he thinks he's a jerk or  
9 whether he thinks he's a great guy --

10 MR. BELL: Or whether he harbors any particular  
11 grudge. I could ask that more specifically, your Honor, but --

12 THE COURT: And what is the relevance of that? I want  
13 to try to figure out where we're going with this. If he says  
14 yes, I have a grudge against him, what? I guess I'm trying to  
15 figure out where you're going with this. Reichberg is not a  
16 defendant in this case.

17 MR. SCHECHTMAN: Or a witness, Judge.

18 MR. BELL: I will limit myself to folks who are.

19 THE COURT: Wait, what is it you wish to ask about  
20 these other folks?

21 I guess what I'm concerned about is it seems it may  
22 not be relevant and certainly prejudicial for him to  
23 editorialize and say that he hates somebody's guts.

24 MR. BELL: I don't think that he would say that, and I  
25 would understand that concern, your Honor, but my expectation

HAUTSEA4

Rechnitz - direct

1 is that he is not going to say that he hates anybody's guts.

2 THE COURT: Your expectation is that he says what?

3 MR. MAZUREK: I really like these guys.

4 Judge, 401, 403. It's not probative of any issue that  
5 is disputed at trial, and has the opportunity to substantially  
6 prejudice the jury based on irrelevant evidence. So I ask you  
7 to sustain the objection.

8 THE COURT: Okay. It seems to me at this point I  
9 should sustain that objection. If the defense is going to  
10 start getting into on their cross-examination potential bias  
11 and the like, which very well may happen, then certainly on  
12 redirect that may be appropriate.

13 MR. BELL: Something tells me, your Honor, given the  
14 projected length of the cross that I will get the opportunity  
15 later on, so that's fine. We're about done.

16 THE COURT: How much more do you have with him?

17 MR. BELL: I think like three questions.

18 THE COURT: Will they be something objectionable?

19 MR. BELL: I hope not.

20 (Continued on next page)

HAUTSEA4

Rechnitz - cross

1 (In open court)

2 THE COURT: That objection is sustained. Go ahead,  
3 counsel.

4 BY MR. BELL:

5 Q. Mr. Rechnitz, why was it that you decided to cooperate with  
6 the government?

7 A. First of all, after meeting with the government I  
8 understood that there was a lot of evidence, and unfortunately  
9 a lot of my misconduct was vast. I decided it's time to come  
10 clean on everything, hopefully get a second chance, and do the  
11 right thing and be able to move forward. So I decided to come  
12 forward and take responsibility for my actions. I also have a  
13 family, a wife and kids, that I thought about as well.

14 Q. What is it that you hope to accomplish today, Mr. Rechnitz?

15 MR. MAZUREK: Objection.

16 THE COURT: Overruled.

17 A. Only what I'm here to do, that's to tell the truth and  
18 honor the agreement I signed with the U.S. Attorney's Office.

19 MR. BELL: Your Honor, we have to further questions  
20 for Mr. Rechnitz.

21 THE COURT: Any cross-examination?

22 MR. MAZUREK: I have a few questions for you.

23 CROSS-EXAMINATION

24 BY MR. MAZUREK:

25 Q. Mr. Rechnitz, you are a liar, correct?

HAUTSEA4

Rechnitz - cross

1 A. No.

2 Q. Well, you have spent the past several days of direct  
3 examination telling us about your lies, right?

4 A. I have told you about some lies and some of my misconduct.

5 Q. You have done business by lying, is that right?

6 A. At times I have lied in order to do business.

7 Q. You have told people that you own things when you did not,  
8 correct?

9 A. Correct.

10 Q. You told people you invested in a deal when you had not,  
11 correct?

12 A. Correct.

13 Q. And you didn't tell your investors on the liquor deal with  
14 Mr. Peralta that you were getting hundreds of thousands of  
15 dollars in cash returns, correct?

16 A. Not exactly. I told some of them, not all.

17 Q. You lied to investigators about receiving hundreds of  
18 thousands of dollars of cash, correct?

19 A. I had lied to investigators until I came forward and told  
20 them the truth.

21 Q. You didn't tell them the truth when they first approached  
22 you, right?

23 A. That's correct.

24 Q. Not the first time, correct, in February of 2015, correct?

25 A. Correct.

HAUTSEA4

Rechnitz - cross

1 Q. Not in March of 2015, when they came a second time,  
2 correct?

3 A. Correct.

4 Q. Not a third time when you were in the offices of your  
5 attorney, Robert Fink, and the FBI were asking you questions in  
6 May of 2015, correct?

7 A. That's correct.

8 Q. And you lied to loved ones, Mr. Rechnitz, correct?

9 A. I have.

10 Q. You have lied to your father-in-law and brother-in-law in  
11 bringing them into bad deals, correct?

12 A. My brother-in-law?

13 (Continued on next page)



HAUJSEA5

Rechnitz - cross

1 Q. Yes, Alan Cooperman, have you ever heard of him?

2 A. Yes. What about him?

3 Q. Did you bring him into the Nissen deals?

4 A. Yes. I don't think they were bad deals.

5 Q. You didn't think they were bad deals when you were taking  
6 10 percent commission off the top of those deals which  
7 inevitably led to a Ponzi scheme at the Nissen company?

8 MR. BELL: Objection.

9 THE COURT: Overruled.

10 A. I did not think those were bad deals at the time.

11 Q. The Nissen company Nikko, eventually you learned or read  
12 about somewhere it was a Ponzi scheme, correct?

13 A. That's correct.

14 Q. That is what you put your brother-in-law into, correct?

15 A. Again, I did not know --

16 Q. My question, sir --

17 MR. BELL: Objection.

18 THE COURT: Please just rephrase the question,  
19 counsel.

20 BY MR. MAZUREK:

21 Q. Did you bring Mr. Cooperman into a ticket deal Nikko which  
22 ended up being a ponzi scheme, yes or no?

23 A. I do not believe I did.

24 Q. You didn't bring him into deals at Nikko?

25 A. I think you asked me if I brought him in a deal that ended

HAUJSEA5

Rechnitz - cross

1 up being a Ponzi, and I don't know if the deals he went in were  
2 real or fake. I only read about it afterwards.

3 Q. You only read about it afterwards, is that your testimony?

4 A. That is my testimony.

5 Q. Do you know that Nikko company owes about \$70 million to  
6 investors, correct?

7 A. I don't know the amount.

8 Q. Approximately?

9 A. I don't know the amount.

10 Q. Tens of millions of dollars?

11 A. I still don't know the amount.

12 Q. But it was a ponzi scheme, correct?

13 A. Allegedly. They were charged for running a Ponzi.

14 Q. They were charged by the same U.S. Attorney's Office,  
15 correct?

16 A. That is correct.

17 Q. You learned about that through reading the criminal  
18 complaint against your former colleague, Mr. Nissen?

19 A. I learned about it from reading the post.

20 Q. The New York Post?

21 That is your favorite newspaper, right?

22 A. No.

23 Q. You brought your father-in-law into deals with the Hamlet  
24 Peralta liquor business, correct?

25 A. He is not in any more deals, no.

HAUJSEA5

Rechnitz - cross

1 Q. He was. You put him into it?

2 A. I think you asked me if he was. He is.

3 Q. The Hamlet Peralta business no longer exists, correct?

4 A. That's correct.

5 Q. It was a Ponzi scheme, correct?

6 A. It was.

7 Q. And you brought your father-in-law David Kohn into that  
8 Ponzi scheme, correct?

9 A. I did.

10 Q. You lied to your wife Rachel correct?

11 A. Yes.

12 Q. You didn't tell her that when you were going to Las Vegas,  
13 to the Super Bowl in Las Vegas and you were taking police  
14 officers and a young lady who you hired for sex, correct?

15 A. That is not what happened.

16 Q. My question was not that.

17 Did you tell your wife Rachel that when you were going  
18 to view the Super Bowl in Las Vegas, that you were taking with  
19 you NYPD officers and a prostitute?

20 A. I did not tell her that, no.

21 Q. You told her something else, correct?

22 A. No, I didn't tell her that.

23 Q. You didn't tell her the truth, right?

24 A. I neglected to mention the details of who went on the trip.

25 Q. It is second nature for you to lie. Is that true?

HAUJSEA5

Rechnitz - cross

1 A. No.

2 Q. Are you able to tell the difference between a truth and a  
3 lie?

4 MR. BELL: Objection.

5 THE COURT: Overruled. You may answer.

6 A. Sorry. Can you repeat that?

7 Q. Are you able to tell the difference between a truth and a  
8 lie?

9 A. I don't understand the question.

10 MR. MAZUREK: I will continue, your Honor.

11 I want to go over some of the lies you made to people  
12 you say you care about and who you do business with.

13 BY MR. MAZUREK:

14 Q. Mr. Rechnitz, you lied to Norman Seabrook, correct?

15 A. I did.

16 Q. You told this man, Mr. Seabrook, that you were a part owner  
17 of Platinum Partners, correct?

18 A. Yes, I did.

19 Q. You were not a partner of Platinum Partners at that time,  
20 correct?

21 A. No, I was not.

22 Q. You have never been a partner at Platinum Partners,  
23 correct?

24 A. Correct.

25 Q. Did you think he was a stupid man by telling him that?

HAUJSEA5

Rechnitz - cross

1 A. No.

2 Q. Is that what you thought?

3 A. No.

4 Q. You thought you would get away with saying a bald-face lie  
5 that could not be corroborated to impress Mr. Seabrook. Is  
6 that your testimony?

7 A. Yes.

8 Q. You knew you were going to promote Platinum Partners to his  
9 labor union, correct?

10 A. No.

11 Q. Well, isn't that the reason you told him that you were a  
12 partner of Platinum Partners?

13 A. It was to induce Norman to make the investment.

14 Q. To make an investment into Platinum Partners, correct?

15 A. That's correct.

16 Q. So you told him a lie in order to obtain money or property  
17 from his organization, correct?

18 A. I told him a lie in order to get Norman to invest in  
19 Platinum Partners, yes.

20 Q. You would agree with me that is called a fraud, sir, right?

21 MR. BELL: Objection.

22 THE COURT: Sustained.

23 BY MR. MAZUREK:

24 Q. Did you have to plead guilty to making false statements in  
25 order to induce money or property being invested by a COBA as

HAUJSEA5

Rechnitz - cross

1 part of your cooperation agreement?

2 A. I had to disclose that to the government.

3 Q. But you didn't have to plead to a criminal mail or wire  
4 fraud related to an investment by COBA, correct?

5 MR. BELL: Objection.

6 THE COURT: Overruled. You may answer.

7 A. I don't understand your question please repeat it.

8 Q. You didn't have to plead guilty to mail or wire fraud with  
9 respect to the false statements that you made in order to in  
10 duce an investment by COBA?

11 A. I don't understand what those frauds are so, no, I did not.

12 Q. Now, you also lied to Mr. Seabrook about owning buildings,  
13 correct?

14 A. Yes.

15 Q. The first time you met him, you lied to him, right?

16 A. I don't think it was the first time.

17 Q. Shortly thereafter?

18 A. I think it was shortly thereafter, right.

19 Q. You told him you owned 23 Wall Street, correct?

20 A. I did.

21 Q. You never owned it?

22 A. No, I did not.

23 Q. Again you did that to impress him, correct?

24 A. Yes.

25 Q. In order to gain, as you say, access in your relationships,

HAUJSEA5

Rechnitz - cross

1 correct?

2 A. No. It was to impress him.

3 Q. Just to impress him?

4 You knew again that something that you could never  
5 prove to be true, right?

6 A. What couldn't be proved?

7 Q. That you were owner of 23 Wall Street?

8 A. Sure, it could be proved. You can look up the title.

9 Q. You would see you were not owner of 23 Wall Street,  
10 correct?

11 A. That's correct.

12 Q. Why did you do it?

13 Why did you tell something that is so easily proven to  
14 be a lie?

15 A. I don't know. I am not proud of it. It was a mistake.

16 Q. In your direct examination, Mr. Rechnitz, you were asked by  
17 the prosecutor about the reasons that you developed  
18 relationships with different law enforcement officers. Do you  
19 remember those questions?

20 A. I do.

21 Q. Do you remember your answers?

22 A. Some of them, yeah.

23 Q. So you said on direct examination as to why you entered  
24 these relationships is because people like access to things  
25 that they don't normally get. Those were your words, right?

HAUJSEA5

Rechnitz - cross

1 A. If you say so. I don't remember exactly what I said.

2 Q. Is that one of the reasons that you entered into those  
3 police relationships?

4 A. Yes.

5 Q. You testified on direct examination another reason was that  
6 they earned you a lot of points. Is that another reason that  
7 you entered into those police relationships?

8 A. I don't understand. What earned points? I don't  
9 understand your statement.

10 Q. When you were asked questions about closing the Lincoln  
11 Tunnel so that former employer could speed through the tunnel  
12 unimpeded, and you were asked why you did that, you said it  
13 earned me a lot of points, right?

14 A. I closed the Lincoln Tunnel and arranged to have it closed  
15 with Jeremy to impress my boss.

16 Q. To earn points, right? That was your testimony on Page 552  
17 from the transcript --

18 MR. BELL: Objection.

19 Q. -- of last Thursday.

20 THE COURT: Overruled.

21 A. It could be I said those words, sure.

22 BY MR. MAZUREK:

23 Q. You said that the reason that you entered into these police  
24 relationships was to be a big player in town. That was another  
25 reason, right?



HAUJSEA5

Rechnitz - cross

1 A. That was one of the reasons, yes.

2 Q. Now, you have met with these prosecutors and agents many,  
3 many times over the course of the last two years, correct?

4 A. I am not sure how many times, but I've met them.

5 Q. Would you agree with my characterization that it was many  
6 times, sir?

7 A. Yes.

8 Q. During all of those meetings and questions that were asked  
9 of you, you were asked these same kinds of questions. Why  
10 would you enter into these relationships, right? Do you  
11 remember?

12 A. Yes.

13 Q. I am going to direct your attention to the meeting that you  
14 had over two years ago, on May 14th, 2015. I think you talked  
15 about it on direct examination when you're in the office of  
16 Robert Fink, and the FBI was asking you questions.

17 Do you remember that?

18 A. That was the meeting when I lied, yes.

19 Q. You didn't answer, didn't give any of the answers you gave  
20 here on the stand as the reason you developed these police  
21 relationships, did you?

22 A. No. As I told you, I lied in that meeting.

23 Q. So you told those FBI investigators why you entered into  
24 those relationships with police officers was because, as the  
25 grandson of Holocaust survivors, you were raised to believe it

HAUJSEA5

Rechnitz - cross

1 was important to maintain relations with policymakers and  
2 members of the Police Department to help ensure the mistakes of  
3 the past were not repeated.

4 That was your answer, sir?

5 A. Yes, I was trying to wiggle my way out of the truth.

6 Q. And you invoked the memory of the Holocaust to wiggle your  
7 way out of the truth?

8 A. It sounds that way, yes.

9 Q. Are you proud of that, sir?

10 A. No.

11 Q. Are your grandparents proud of you for that?

12 MR. BELL: Objection.

13 THE COURT: Sustained.

14 BY MR. MAZUREK:

15 Q. Do you consider yourself a religious person?

16 A. I do.

17 Q. But you mocked the importance of important religious  
18 responsibility of an entire community by applying to be a  
19 police chaplain in Westchester County. Isn't that true?

20 A. Can you repeat the question, please.

21 Q. You mocked the important religious responsibility of being  
22 a police chaplain in Westchester County by paying for that  
23 position, correct?

24 A. What do you mean by mocked? I don't understand your  
25 question.

HAUJSEA5

Rechnitz - cross

1 Q. Do you belong to any religious order?

2 A. I still don't understand what you're saying.

3 Q. Are you a rabbi, sir?

4 A. No.

5 Q. Are you a priest?

6 A. No.

7 Q. Are you an imam?

8 A. No.

9 Q. Do you belong to any religious order that would qualify you  
10 to be a police chaplain?

11 A. No.

12 Q. You understood at the time when you got that position that  
13 it was an important position in the community?

14 A. I didn't think of it that way, but you're right.

15 Q. Well, did you look up on the website in Westchester County  
16 as to the duties and responsibilities of a police chaplain?

17 A. No.

18 Q. Did you know that as a police chaplain, you would be put  
19 into the position of where you would give confidential  
20 counseling to members of the Westchester Police Department?

21 A. No.

22 Q. Did you know you're supposed to provide spiritual guidance  
23 to people who suffer trauma and hardships within the Police  
24 Department?

25 A. No.

HAUJSEA5

Rechnitz - cross

1 Q. Did you know you'd have to be delivering invocations and  
2 benedictions at different ceremonies and invoking God's name?

3 Did you know that, sir?

4 A. I wasn't told any of these things are a requirement.

5 Q. You made that position a farce, Mr. Rechnitz, didn't you?

6 A. I don't agree.

7 Q. You don't agree?

8 A. No.

9 Q. Did you do anything in that position?

10 A. I did not.

11 Q. You did it, sir, for your own pleasure, right?

12 A. I did it for my own benefit, yes.

13 Q. You did it for a parking placard. Is that right?

14 A. That's correct.

15 Q. You not only made a farce of that position, but you then  
16 used it in a further lie, correct?

17 A. Again I don't agree with your characterization of a farce.  
18 I can't understand area that question.

19 Q. I'll withdraw the question.

20 You used the position you paid for to become a police  
21 chaplain to make another lie under oath?

22 A. What was the lie? I don't agree. I don't follow.

23 Q. Well, as further pursuit of your own pleasure, you filled  
24 out, worked with Mr. Reichberg to fill out a gun permit in New  
25 York City, right?

HAUJSEA5

Rechnitz - cross

1 A. Yeah. I did not fill one out.

2 Q. I am sorry?

3 A. I didn't fill out a permit.

4 Q. You signed a permit application to get the rights, the  
5 privilege in New York City to carry a firearm, correct?

6 A. Right, I just -- I don't see the connection between  
7 Westchester you're trying to derive.

8 Q. One of the positions that you put down in that application  
9 as a reason for needing the gun permit is that you were a  
10 police chaplain in Westchester County, correct?

11 A. I didn't know that was in the application.

12 Q. You didn't know you were filling out an application, sir?

13 A. Jeremy told me just he will fill it out and I will sign it.  
14 Just like the chaplaincy, I didn't read it.

15 Q. You didn't read it, that is your testimony?

16 A. That is my testimony, yes.

17 Q. You know that that application was, when you signed it, was  
18 signed under the penalty of perjury, correct?

19 A. I don't know. Maybe.

20 Q. Well, let me help you out. (Pause)

21 I am going to show you what has been premarked for  
22 identification as 3501-24.

23 MR. MAZUREK: Your Honor, if we can just publish it to  
24 the witness at this point, put it on the screen.

25 BY MR. MAZUREK:

HAUJSEA5

Rechnitz - cross

1 Q. I am going to ask if we can turn to Page 9 of that exhibit.

2 (Pause) Do you recognize your signature on that page,  
3 sir?

4 A. Yes, that is my signature.

5 Q. Do you recognize that you signed this document on or about  
6 November 11th, 2014?

7 A. Yes, that is what it says.

8 Q. You recognize this as an application that you completed for  
9 the -- or you signed for the purposes of obtaining the  
10 privilege to carry a gun in New York City?

11 A. Yes.

12 MR. MAZUREK: I move for admission of 3501-24.

13 MR. BELL: Objection, your Honor.

14 THE COURT: Sustained. Let's have a sidebar.

15 (Continued on next page)  
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HAUJSEA5

Rechnitz - cross

1 (At the sidebar)

2 THE COURT: Let me just see if we can shortcut this.  
3 What is it you're trying to do? You're trying to get him to  
4 acknowledge he signed that under penalties of perjury?

5 MR. MAZUREK: Yes.

6 THE COURT: You can ask him that question. You're  
7 trying to admit this into evidence as a business record.

8 MR. MAZUREK: I don't want to go through that whole  
9 process of laying that foundation. The government, this is one  
10 of their documents. It is something that I think may be the  
11 subject of further examination later on.

12 If there is a big deal about why this is not a  
13 business record, I am trying to avoid all of that. I am hoping  
14 that the government recognizes what it is and they will avoid  
15 taking a lot of time later on potentially in doing that.

16 THE COURT: Can I get the last four questions and  
17 answers read back, please.

18 (Record read)

19 THE COURT: Can you go back -- I am sorry -- four  
20 questions before that first question that you read, please.

21 (Record read)

22 MR. SHECHTMAN: I would say the following.

23 To the extent it is being offered, it is not being  
24 offered for its truth. It is being offered because it is  
25 completely false. I don't think it is a hearsay should delay

HAUJSEA5

Rechnitz - cross

1 us.

2 MR. BELL: Nor is that what we're primarily arguing.

3 THE COURT: You were talking about a document,  
4 double-hearsay issue. The document very well may be a public  
5 record. It certainly may be a document that affects an  
6 interest in property, other grounds for which the document is  
7 admissible.

8 I am trying to see if we can keep this moving so we  
9 can get this along. It seems to me he has this in front of  
10 him. To the extent that his "I don't know, maybe" seems to be  
11 sort of a lapse in recollection, it seems to be that you can  
12 ask him, now that he has seen the document, doesn't that  
13 refresh your recollection that when you signed this document,  
14 this document was signed under the penalty of perjury?

15 Then you can move on.

16 MR. BELL: That seems to be the sort of thing we could  
17 do. I will note the threshold objection that we have which is  
18 a 608 issue. It doesn't come in as extrinsic evidence of --  
19 this seems as guard variety as 608, 608 gets. It does seem to  
20 me Mr. Mazurek can do some variation of what your Honor  
21 suggested, but the exhibit doesn't come in for that purpose  
22 unless I am missing something on the rule. That, too, may have  
23 the effect of shortening things.

24 THE COURT: Anything else from defense counsel on  
25 this?



HAUJSEA5

Rechnitz - cross

1 MR. MAZUREK: No, Judge.

2 THE COURT: What are we going to do here.

3 MR. MAZUREK: I will move this along. We can revisit  
4 it later if we need to. I will ask the questions based on the  
5 document.

6 THE COURT: Okay. All right.

7 (Continued on next page)

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HAUJSEA5

Rechnitz - cross

1 (In open court)

2 THE COURT: Go ahead, counsel. Sustained. Go ahead.

3 MR. MAZUREK: For the witness, can we just republish

4 Page 9 of 3501-24.

5 BY MR. MAZUREK:

6 Q. So before you signed this, sir, were you able to glance up  
7 about a centimeter or so above the page and read the paragraph  
8 that is just above your signature?

9 A. I didn't. I just signed it.

10 Q. You just signed it?

11 So you didn't understand at the time is your  
12 testimony, you didn't understand at the time you signed it that  
13 despite warnings again about a centimeter above that signing  
14 this document with false written statements are punishable  
15 under Section 210.5 of the New York Penal Law?

16 MR. BELL: Objection.

17 THE COURT: Sustained as to form. Please rephrase the  
18 question again.

19 BY MR. MAZUREK:

20 Q. When you signed this document, sir, on November 11th, 2014,  
21 did you understand that when you signed it, that any false  
22 written statements in the document were punishable under New  
23 York Penal Law?

24 A. No.

25 Q. You just closed your eyes and signed the document, is that

HAUJSEA5

Rechnitz - cross

1 your testimony?

2 A. No.

3 Q. Did you sign the documents at the Police Plaza?

4 A. Is that a question?

5 Q. Yes, it is?

6 A. What is your question?

7 Q. Did you sign the document at 1 Police Plaza downtown?

8 A. I don't remember where it signed it.

9 Q. Did you have an interview about the application with an  
10 officer at 1 Police Plaza?

11 A. I wouldn't call it an interview. It was more of a  
12 done-deal type of thing. I went into the officers' room, and  
13 he just set someone up to process me.

14 Q. You understood what you were doing when you were at 1  
15 Police Plaza, you understood you were seeking to get a permit  
16 to carry a gun on the streets of New York City, right?

17 A. Yes.

18 Q. You understood there was an application that went along  
19 with this process, correct?

20 A. Yes.

21 Q. You were signing this application, correct?

22 A. Correct.

23 Q. And you understood that by signing this application and  
24 giving the information, you were trying to do something that a  
25 lot of New Yorkers don't have the opportunity to do, correct?

HAUJSEA5

Rechnitz - cross

1 A. I am not sure I understand your question.

2 Q. You understood when you signed this document, sir, under  
3 penalty of perjury, that you were seeking to have the right to  
4 carry a gun with you in the streets of New York, right?

5 A. That's correct.

6 Q. Not everyone has that privilege in New York, correct?

7 A. That's correct.

8 Q. You were seeking to do so, and you submitted this  
9 application, correct?

10 A. That's correct.

11 Q. And it has false statements in it, correct?

12 A. I don't know what statements are in there.

13 Q. In the many sessions you had with the government, you never  
14 took a second to look and see oh, is this the way I filled out  
15 this application, is this true or not?

16 MR. BELL: Objection.

17 THE COURT: Sustained. Please rephrase.

18 BY MR. MAZUREK:

19 Q. Have you had the opportunity to review your application  
20 since you started cooperating with the government?

21 A. No.

22 Q. Did they ever ask you is it true that you needed to have a  
23 gun in order to protect your diamond business?

24 A. They never asked me that question, no.

25 Q. You wanted to have a gun because you thought it would be a

HAUJSEA5

Rechnitz - cross

1 fun thing to have, right?

2 A. I don't know why. It was just another thing I felt that  
3 was important that really isn't.

4 Q. You didn't care that you lied to get it, right?

5 A. Again I don't know what lie you're referring to. I don't  
6 think I lied.

7 Q. You didn't even care enough to look at the answers in the  
8 application before you submitted it?

9 A. No. I trusted and relied on Jeremy, who told me he filled  
10 it out properly, and that is why I signed it.

11 Q. You always like to blame others, don't you?

12 A. No.

13 Q. Speaking about blaming others, you testified on direct  
14 examination about chartering a private plane to Las Vegas,  
15 right?

16 A. Yes.

17 Q. And you went with Jeremy Reichberg, James Grant and some  
18 other police officers, correct?

19 A. Yes.

20 Q. On that plane you arranged to have a prostitute go with  
21 you, correct?

22 A. No, I didn't arrange that.

23 Q. Someone else did?

24 A. That's correct.

25 Q. You knew she was there, right?

HAUJSEA5

Rechnitz - cross

1 A. Yes, I did.

2 Q. You knew she was going to be paid to perform sexual acts  
3 along the trip?

4 A. Yes.

5 Q. You knew that was a federal crime, correct?

6 A. I am not sure if it is state or federal. I knew it was  
7 illegal.

8 Q. To travel interstate with someone that you are going to be  
9 paying for sexual acts, do you remember Governor Spitzer, does  
10 that ring a bell?

11 MR. BELL: Objection.

12 THE COURT: Sustained.

13 BY MR. MAZUREK:

14 Q. You knew it was a federal crime, sir, right?

15 MR. BELL: Objection.

16 THE COURT: Sustained.

17 BY MR. MAZUREK:

18 Q. When you went on that plane, you testified on direct  
19 examination that your stomach hurt and you closed your eyes?

20 A. That is not what I said.

21 Q. You weren't feeling well and you closed your eyes on the  
22 plane?

23 A. I made both of those statements, not together.

24 Q. But together, that was what your testimony was, sir?

25 A. I was not feeling well and I slept on the plane, yes.

HAUJSEA5

Rechnitz - cross

1 Q. Now, again you had the opportunity to be asked about this  
2 trip from the prosecutors prior to your testimony in court this  
3 week, correct?

4 A. That's correct.

5 Q. Isn't it true, sir, that when you were asked questions in a  
6 prior session with the government, you were asked questions as  
7 to whether you had sex with this young lady on the plane,  
8 correct?

9 A. I was asked that question, yes.

10 Q. And you were asked that question way back on May 12th of  
11 2016, correct?

12 A. I don't know when I was asked. I don't know the date.

13 Q. It was a long time ago when you first started cooperating  
14 with the government, correct?

15 A. I don't think so it was so long ago. It was --

16 Q. A year and a half ago?

17 A. Right. That is not so long, right.

18 Q. You were asked those questions, correct?

19 A. I think I just answered. I was asked that question from  
20 the government. I don't know when.

21 Q. Isn't it true, sir, that when you were asked that question  
22 back in May 12th of 2016, that you stated that you felt sick  
23 during the trip and probably didn't do anything with the  
24 prostitute, but you weren't sure, right?

25 A. I never said that.

HAUJSEA5

Rechnitz - cross

1 Q. We can put on the screen just for the witness -- let me ask  
2 you this:

3 Is there anything that might refresh your memory, like  
4 the reports that were issued about your meeting with the  
5 government on that day?

6 A. No. I am positive I never said that.

7 MR. MAZUREK: Your Honor, I would then seek to move  
8 into evidence under Rule 613 a portion of 3501-26.

9 MR. BELL: Objection.

10 THE COURT: Let's have a sidebar.

11 (Continued on next page)

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HAUJSEA5

Rechnitz - cross

1 (At the sidebar)

2 MR. MAZUREK: Your Honor, here's the statement.

3 THE COURT: Okay.

4 (Off-the-record discussion)

5 THE COURT: Okay. All right. So talk to me. What is  
6 it you plan to do?

7 MR. MAZUREK: Your Honor, I have, according to the  
8 rule, I have confronted the witness, challenged him on his  
9 prior statement. He continues to deny it. It is inconsistent  
10 with what he has testified on direct examination, and so under  
11 the Rule 613 (b), I think it is admissible.

12 THE COURT: I don't think that is necessarily  
13 inconsistent with what the witness said. Can you read that  
14 into the record.

15 MR. MAZUREK: "Rechnitz stated he felt sick during the  
16 trip and probably didn't do anything with the prostitute but  
17 wasn't sure."

18 THE COURT: The next sentence, please.

19 MR. MAZUREK: Rechnitz -- another topic -- "Rechnitz  
20 stated he might have had sex with a prostitute in New York City  
21 called the Royalty."

22 THE COURT: You're making this incredible between the  
23 trip and necessarily being on the flight, and that you haven't  
24 drawn his attention to. That is not clear on the record. This  
25 statement that you wish -- first of all, I don't think you have

HAUJSEA5

Rechnitz - cross

1 actually given him word-for-word what is in that statement.

2 MR. MAZUREK: I read it.

3 THE COURT: Let's have the last four questions read  
4 back then.

5 (Record read)

6 THE COURT: So again the statement that preceded those  
7 questions was about the plane. So you're defining "trip" by  
8 "on the plane" because you asked this question about on the  
9 plane, and that statement isn't referring to specifically on  
10 the plane.

11 It is talking about on the trip, which you asked  
12 later, but that is after the question about on the plane,  
13 making it seem as if you're talking about on the flight itself.  
14 That statement seems to indicate he doesn't remember, he felt  
15 sick and doesn't remember if he had sex with the prostitute  
16 during the trip, but that is not necessarily talking about the  
17 flight.

18 MR. MAZUREK: If you read the sentence before, it  
19 seems to be referring to the flight.

20 THE COURT: I understand that, but this is all in one  
21 paragraph and it says:

22 Rechnitz saw Grant with the prostitute on the flight  
23 and Grant told him something happened with the prostitute.  
24 Rechnitz stated he felt sick during the trip and probably  
25 didn't do anything with the prostitute but wasn't sure. Then

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Rechnitz - cross

1 says Rechnitz stated he might have had sex with the prostitute  
2 at a hotel in New York City."

3 MR. MAZUREK: That is different,.

4 THE COURT: That is the same paragraph.

5 MR. MAZUREK: A different occasion. On direct  
6 examination he said he didn't have sex with her any time on the  
7 trip.

8 THE COURT: Ask that question then, What I am saying  
9 is the question -- you can't impeach him with that if it is not  
10 clear what you're impeaching him with. If you want to ask him  
11 that, forgetting the plane, if you want to ask about the trip,  
12 right, because that is what that statement says, and if you  
13 want to draw his attention to what he specifically said, then  
14 you can impeach him with that. You have to draw his attention  
15 to that. What I am saying right now, it is not so clear this  
16 is inconsistent.

17 Who is this statement made to?

18 MR. MAZUREK: The FBI agent and prosecutors.

19 THE COURT: So draw his attention even more to that.

20 He says he doesn't remember the date, but if draw his  
21 attention perhaps to the fact there is an FBI agent there and  
22 whatever prosecutors were there, and then they asked you  
23 questions about this prostitute and they asked you whether or  
24 not you had sex with the prostitute with the trip, right, but I  
25 guess first you have to get the inconsistency and draw out from

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Rechnitz - cross

1 him he didn't have sex with this prostitute at all during this  
2 trip. If he says no to that, then that is certainly relevant  
3 to that.

4 MR. MAZUREK: Okay.

5 THE COURT: And is impeachment.

6 MR. CAPONE: To the extent this document or page comes  
7 in, we request a redacted version comes in with only the --

8 MR. MAZUREK: Yes, of course.

9 MR. NAWADAY: We can do a stipulation.

10 MR. MAZUREK: If you agree it should come in maybe --

11 MR. CAPONE: We --

12 MR. BELL: Should we get there. There is no guarantee  
13 we will.

14 MR. CAPONE: We can stipulate.

15 (Off-the-record discussion)

16 MR. MAZUREK: If he does say that he did not have sex  
17 on any part portion of the trip, and he never said that to  
18 these prosecutors and the agents, then I am going to move again  
19 for introduction of that statement into evidence under 613.

20 THE COURT: If he says that, then you have to bring  
21 his attention to the inconsistency first.

22 MR. SHECHTMAN: It will be inconsistent and we will be  
23 back in here and it just --

24 THE COURT: We won't necessarily have to be back here.

25 You have to draw his attention, you have to ask him

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1 the question, ask him if he had sex with this prostitute during  
2 this trip at all, the trip we are talking about because there  
3 were several trips.

4 MR. MAZUREK: Yes, the Las Vegas trip.

5 THE COURT: If he says no, then you draw his attention  
6 to this meeting with the FBI agent and prosecutors and say that  
7 you said to them when you were asked about this, and it might  
8 be more, might be easier to go with that next statement there  
9 instead of this other one because this is a hostile witness and  
10 he is going to fight with you.

11 If you ask the question that is somewhat loose, you're  
12 going to get it is not a long time ago, yes, I didn't say my  
13 stomach hurt, but I did say I was sick, and you draw his  
14 attention to that. The minute he says no, we'll see where we  
15 are. You have to draw his attention to that particular  
16 statement.

17 MR. MAZUREK: Yes.

18 THE COURT: Okay.

19 (Continued on next page)  
20  
21  
22  
23  
24  
25

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Rechnitz - cross

1 (In open court)

2 THE COURT: Okay. Let's do this. Let's take a quick  
3 bathroom break of 8 minutes. Don't discuss the case with  
4 anyone else. Don't discuss it amongst yourselves and we'll see  
5 you in 8 minutes. Thank you.

6 (Jury excused)

7 THE COURT: So the parties know, I got a note from my  
8 Deputy indicating some of the jurors wanted a bathroom break.  
9 That is why we took the break. I'll see you in 8 minutes.

10 (Recess)

11 THE COURT: Are the jurors ready?

12 THE CLERK: Yes.

13 MR. BELL: I am happy to do this here.

14 Your Honor, there have been a number of points, and  
15 today is the first day where in response to witness testimony,  
16 particularly with this witness, there has been audible response  
17 not only from the gallery, but the back table. This is a jury  
18 proceeding. Obviously, we want to minimize that so we ask for  
19 the judge to issue the admonishment accordingly.

20 THE COURT: Yes. For all the people in this  
21 courtroom, do not have any outburst, do not make any audible  
22 gasps, sighs or any comments. We don't need any heckling or  
23 anything like that from the people in the audience. If you  
24 continue to do that, you will be removed from the courtroom,  
25 right? Let's not do that. Let's bring the witness in and

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1 let's bring the jury in.

2 (Jury present)

3 THE COURT: Please be seated. We are just waiting for  
4 the witness to come out.

5 (Pause)

6 (The witness returned to the courtroom)

7 THE COURT: Go ahead, counsel.

8 BY MR. MAZUREK:

9 Q. Mr. Rechnitz, we were talking about the trip that you took  
10 to Las Vegas to view the 2013 Super Bowl, correct?

11 A. Yes.

12 Q. On that trip, sir, in Las Vegas, did you have sex with the  
13 young lady that was hired to accompany you and your friends?

14 A. No.

15 Q. On May 12th, 2016, and I know you don't remember the  
16 specific date, but you were interviewed on this topic by the  
17 same prosecutors who are sitting in front of you and an FBI  
18 agent. Do you remember those kinds of meetings?

19 A. I don't remember that date. I had, as you said, many  
20 meetings with them.

21 Q. But you remember being interviewed on the topic of what you  
22 did with this young lady on the trip to Las Vegas when you were  
23 going to view the Super Bowl?

24 A. No. I remember them asking me about the details from that  
25 entire trip.

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Rechnitz - cross

1 Q. The details of that entire trip?

2 You gave them answers which you believed to be  
3 complete and truthful at that time, correct?

4 A. I did.

5 Q. I am sorry?

6 A. Yes, I did.

7 Q. And specifically when you were asked about that trip, your  
8 answer to them on May 12th, 2016 -- and the reference for the  
9 government and the court -- it is 3501-26, Page 12, your answer  
10 to them about having sex on that trip with the prostitute, you  
11 answered:

12 "Rechnitz stated he felt sick during the trip and  
13 probably didn't do anything with the prostitute but wasn't  
14 sure."

15 Correct?

16 A. No. I never said that.

17 MR. MAZUREK: Again I move under Federal Rule of  
18 Evidence 613 for admissibility of that line in 3501-26.

19 MR. BELL: The same objection. Confrontation.

20 THE COURT: You wish to admit that line?

21 MR. MAZUREK: Yes, your Honor.

22 THE COURT: Granted. Go ahead.

23 (Pause)

24 MR. MAZUREK: No, not on the screen.

25 MR. SHECHTMAN: We can redact it and have that line,



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Rechnitz - cross

1 and we won't show it now, your Honor.

2 THE COURT: Thank you.

3 MR. MAZUREK: We'll publish it later.

4 THE COURT: Go ahead.

5 BY MR. MAZUREK:

6 Q. Mr. Rechnitz, in the litany of lies that we have gone  
7 through, you also lied on your 2013 and 14 tax returns by not  
8 disclosing the cash that you received from Hamlet Peralta in  
9 the liquor business, correct?

10 A. No.

11 Q. I am sorry?

12 A. No.

13 Q. You disclosed the 200 to \$400,000 in cash that you claimed  
14 to have received from the liquor business during those years?

15 A. Which years?

16 Q. 2013 and 2014?

17 A. I believe I may have 14, maybe not for 13. I don't recall  
18 when I started doing business with them.

19 Q. Well, did you intend to disclose that cash on your tax  
20 returns?

21 A. I didn't intend to not disclose it, if that is what you're  
22 asking.

23 Q. Do you know, as you sit here today, whether you disclosed  
24 it or not?

25 A. I do not. I think I did, but I am not sure.

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Rechnitz - cross

1 Q. Did you intend to tell the truth on your taxes with respect  
2 to that income?

3 A. I did not intend to keep it out of my return.

4 Q. Well, you met with these same prosecutors and FBI agents on  
5 or about April 9th, 2017, and you were asked similar sets of  
6 questions about your declaring taxes from the liquor business.

7 Do you recall that?

8 A. No.

9 Q. Would it be helpful to refresh your memory to look at the  
10 agents' report from that date?

11 A. I wasn't asked that question. I was asked how much cash I  
12 received. You are welcome to show me whatever you like, but I  
13 don't think it will help refresh my recollection.

14 Q. You don't think it would help to look at what the agents  
15 reported when you were answering questions on April 9th, 2017  
16 about whether you declared the cash from Mr. Peralta's  
17 business?

18 A. I don't think it will help, no.

19 Q. Isn't it true that you told them back then on April 9th,  
20 2017 that you did not declare that cash on your taxes because  
21 you ended up with a loss. However, you did not intend to  
22 declare it either way?

23 Wasn't that your testimony then?

24 A. I recall ending up with a loss, which is why I did not have  
25 to declare it. I don't think I told them I was intentionally

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Rechnitz - cross

1 not going to, though.

2 Q. I am sorry? I didn't hear your answer.

3 A. You're right, I did have a loss for the money I invested  
4 with the liquor. Therefore, I did not have to report any  
5 income from him in cash because the loss was greater than the  
6 cash I received. I did not intentionally omit mention of cash  
7 and it was not my intention.

8 Q. So when you told the prosecutors on April 9th, 2017 you did  
9 not intend to declare the cash either way, whether you had a  
10 gain or loss, that wasn't the truth?

11 A. I don't think I said that.

12 (Continued on next page)

HAUTSEA6

Rechnitz - cross

1 MR. MAZUREK: Can we show what has been premarked for  
2 identification as 3501-66 just for the witness, your Honor?

3 THE COURT: Okay.

4 MR. MAZUREK: If we can expand.

5 BY MR. MAZUREK:

6 Q. Just take a look at the line in the report. Does that  
7 refresh your recollection that you told the agents and  
8 prosecutors that you did not declare on taxes but you did not  
9 have to because you ended up with a loss, however, you did not  
10 intend to declare the cash either way?

11 MR. BELL: Objection.

12 May we confer briefly, your Honor?

13 THE COURT: Sure.

14 (Pause)

15 MR. MAZUREK: I'll rephrase, your Honor.

16 THE COURT: All right.

17 BY MR. MAZUREK:

18 Q. After reviewing 3501-66, does that refresh your  
19 recollection, sir, that you told the agent and these  
20 prosecutors that you did not declare the cash on the taxes but  
21 you did not have to because you ended up with a loss. However,  
22 you did not intend to declare the cash either way?

23 A. No.

24 Q. You just have no memory of saying that today as you testify  
25 under oath?

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Rechnitz - cross

1 A. I am under oath, and my answer is no, I don't think I said  
2 that.

3 Q. You're testifying under the terms of a cooperation  
4 agreement, right?

5 A. Yes.

6 Q. And I believe toward the end of direct examination you  
7 reviewed some of the terms of that agreement, right?

8 A. Right.

9 Q. And that agreement requires you to testify truthfully in  
10 this courtroom, correct?

11 A. Correct.

12 Q. And also says you cannot commit any further crimes since  
13 the time of your cooperation, right?

14 A. Correct.

15 Q. Now you also testified on direct examination about a number  
16 of business deals that you did regarding real estate, right?

17 A. Right.

18 Q. You're a real estate broker, right?

19 A. Pardon?

20 Q. You're a real estate broker?

21 A. No.

22 Q. You're a licensed broker in New York, unless your license  
23 has expired, I'm not sure.

24 A. No, I'm not. I'm a salesperson. A broker is a different  
25 type of license.

HAUTSEA6

Rechnitz - cross

1 Q. Did you ever file for a real estate broker license,  
2 associate broker license?

3 A. No, a salesperson license. I never filed for a broker  
4 license.

5 Q. You're a real estate salesperson, correct?

6 A. Yes.

7 Q. And as part of your job as a real estate salesperson, you  
8 ended up at times organizing different investigator groups to  
9 purchase buildings, right?

10 A. No, as part of my salesperson license I sold, under a  
11 broker, property to individuals.

12 Q. So this is just another part of your real estate business,  
13 as you call it, to syndicate loans, correct?

14 A. No. I don't understand what that even means.

15 Q. Well, you used the term syndicate loans on direct  
16 examination, right?

17 A. I did not say that. I said I syndicate deals. I don't  
18 think I said the word syndicate loans, because I don't know  
19 what that means.

20 Q. You syndicate deals, is that the word you prefer to use?

21 A. I do syndicate deals, yes.

22 Q. And that is to organize a group of investors to purchase  
23 real estate at times, right?

24 A. Correct.

25 Q. You said on direct examination you own a hundred million

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Rechnitz - cross

1 dollars worth of real estate in New York, right?

2 A. Yes. I said I had owned at a certain time, yes.

3 Q. Sorry?

4 A. I was asked what I estimate my dealings in real estate to  
5 be that I owned, and I said \$100 million, correct.

6 Q. But you yourself didn't own a building in New York City,  
7 correct?

8 A. No, the entity of which I had full control over that I was  
9 the managing member for and that I signed at times personal  
10 for, did.

11 Q. So when you said I owned \$100 million worth of real estate,  
12 that wasn't actually correct, correct?

13 A. I don't agree with you. I don't think it's not accurate.  
14 I think there's a fine line.

15 Q. Just to be clear, it would be that the entity has a number  
16 of partners, and each of those partners has an interest in the  
17 entity that owns the building, correct?

18 A. Yes and no. It depends. If it was set up as a limited  
19 partnership, general partnership, or an LLC. In most instances  
20 I was purchasing a building, I invite people to come in to join  
21 me, I make a split on their profit, I run the day to day, I'm  
22 the managing member and I get fees for doing that.

23 Q. And other people actually retain the equity interest in the  
24 piece of property, correct?

25 A. Not always. Each building is set up differently. So my

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Rechnitz - cross

1 portfolio consists of \$100 millions for my company.

2 Q. Let me direct your attention to a specific property, a  
3 property known as Solomon's Plaza in Brooklyn. Do you remember  
4 that?

5 A. Sure.

6 Q. That was one of the properties that you syndicated a deal,  
7 that is, you brought people together to invest in, correct?

8 A. Correct.

9 Q. And it is located in Borough Park in Brooklyn, right?

10 A. Yes.

11 Q. And that particular property you were able to close with  
12 your investor groups I think sometimes in 2015, is that right?

13 A. Sounds about right.

14 Q. And this was a mixed use commercial and residential  
15 property, correct?

16 A. No. That is not correct, no.

17 Q. There was a retail tenant on the ground floor, correct?

18 A. Correct.

19 Q. And there were residential units above it, correct?

20 A. No, that's not correct.

21 Q. There was no residential units in the building?

22 A. None.

23 Q. One of the commercial tenants in the building of the ground  
24 floor and the biggest tenant in the building was a Judaic book  
25 store called Eichler's, correct?



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Rechnitz - cross

1 A. That's correct.

2 Q. And you had a role in helping set up the lease for the  
3 Eichler's bookstore, correct?

4 A. Yes, I was in charge of the property.

5 Q. You were in charge of the property, meaning you were the  
6 property manager for the building?

7 A. I was the managing member, the general partner for the  
8 partnership until I removed myself and Charles Herzka took  
9 over.

10 Q. So you were a managing member and there was an expiring  
11 lease of the Eichler's bookstore coming due at the beginning of  
12 2017, correct?

13 A. It was 2016 or 2017, that is correct.

14 Q. After the time that you were already cooperating with the  
15 government, correct?

16 A. That's correct.

17 Q. Now you helped negotiate a new lease with the owner of  
18 Eichler's bookstore in February 2017, correct?

19 A. I did.

20 Q. And you signed the lease along on behalf of the ownership  
21 group, correct?

22 A. I may have. I'm not sure who signed it, but it would make  
23 sense that it was me.

24 Q. And you negotiated with a fellow by the name of Eli Blau  
25 who was the owner of the Eichler's bookstore at the time.

HAUTSEA6

Rechnitz - cross

1 A. No, I negotiated with a middleman that he hired to  
2 represent his interests named Ari Gross.

3 Q. So you negotiated with a middleman to accomplish the new  
4 lease in 2017, correct?

5 A. That's correct.

6 Q. But you also had contact with Mr. Blau during the time that  
7 the lease was being negotiated?

8 A. I did.

9 Q. Now this subject matter of the lease, of the Blau lease in  
10 2017, was something that you brought to the attention to these  
11 prosecutors and the FBI agents, correct?

12 A. Yes.

13 Q. You did so as recently as the end of September of 2017,  
14 correct?

15 A. Sounds about right.

16 Q. And you called saying you wanted to have the opportunity to  
17 speak with -- you were in California at the time, correct?

18 A. I'm not sure if that's what happened.

19 Q. Do you remember calling in a telephonic interview with the  
20 prosecutors here and Special Agent FBI Bard Hubbard?

21 A. I remember discussing with them that the tenant was being  
22 harassed by your client, so that's why I called them. I don't  
23 remember discussing the lease.

24 Q. Tenant was being harassed. Is that the tenant that you're  
25 referring to as Mr. Blau?

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Rechnitz - cross

1 A. Ari Gross.

2 Q. Sorry?

3 A. Ari Gross.

4 Q. Ari Gross?

5 A. I always dealt with Ari, not Eli.

6 Q. Ari Gross who was the broker to the deal?

7 A. I don't know exactly, I think was he was a paid consultant  
8 from the Eichler's bookstore.

9 Q. And you called -- you told the agents and these prosecutors  
10 about the fact that Mr. Gross was helping negotiate this lease  
11 with Blau, and you were having contact with Mr. Gross, correct?

12 A. Pardon?

13 Q. You told these agents and the prosecutors that you were  
14 having contact with Mr. Blau and Mr. Gross over the lease that  
15 we're talking about at Eichler's bookstore, correct?

16 A. What do you mean, I had or I was having current? I don't  
17 understand your question.

18 Q. The end of September of 2017 when you met with the  
19 prosecutors you talked about this issue, you raised the fact  
20 that you were in communications with Mr. Gross and Mr. Blau  
21 over this lease, correct?

22 A. About Mr. Gross, yes.

23 Q. About Mr. Gross.

24 A. Yes.

25 Q. In fact, you told these agents and prosecutors to speak to

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Rechnitz - cross

1 Mr. Gross about the lease because there was some confusion that  
2 had arisen as a result of the lease, right?

3 A. I don't tell them what to do, I just give the information  
4 as it comes. I'm not sure what they did.

5 Q. You suggested that Mr. Gross would be available to discuss  
6 the matter with the prosecutors and provide the prosecutors  
7 with his telephone number, correct?

8 A. No, I gave them his number when they asked me for it.

9 Q. And they asked you for it because you were telling the  
10 prosecutors at the time that there was a mistake that Mr. Blau  
11 had made about that lease, correct?

12 A. No.

13 Q. Well, Mr. Blau had signed a lease on February 17, 2017 for  
14 an amount of about \$46,000 a month for the Eichler store,  
15 correct?

16 A. Correct.

17 Q. But Mr. Blau was telling people in the building that he  
18 never intended to pay \$46,000 a month for rent on that  
19 bookstore, is that correct?

20 A. I don't know. That's hearsay. I don't know what you're  
21 talking about.

22 Q. You never heard that Mr. Blau claimed that you told  
23 Mr. Blau that he would have to pay \$30,000 month per rent but  
24 just to sign the lease agreement for \$47,000?

25 MR. BELL: Objection.

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Rechnitz - cross

1 THE COURT: Sustained to form. Please rephrase the  
2 question.

3 Q. You had asked Mr. Blau to sign a lease in February of 2017  
4 for \$47,000 a month, correct?

5 A. Mr. Blau signed a lease for \$46,000 a month, that is  
6 correct.

7 Q. You also signed that lease, correct?

8 A. If you say so. If I see it, I'm sure it would be possible  
9 I did.

10 Q. We'll get to that.

11 You negotiated that lease with Mr. Gross?

12 A. Yes.

13 Q. And --

14 A. And Mr. Blau in two meetings.

15 Q. And you told Mr. Blau that he would never have to pay  
16 \$47,000 per month?

17 A. I never said that. That is false.

18 Q. You told him that the prior rent, which was approximately  
19 \$30,000 a month, would be all that he had to pay?

20 A. I did not say that, and it was actually 36,000.

21 Q. \$36,000.

22 Well, let me ask you this, did Mr. Blau send you an  
23 email?

24 A. Yes.

25 Q. About the \$30,000 per month lease that he was expecting to

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Rechnitz - cross

1 pay?

2 A. No, he sent -- I don't know, but he sent me an apology  
3 email for making that lie up for claiming that I had told him a  
4 lesser rent. You see, once I was removed from the building, he  
5 had a new audience to try to renegotiate with, and he  
6 apologized to me for being dishonest.

7 Q. He apologized for being dishonest about what?

8 A. About making up a version that I told him a different rent  
9 than he actually signed. He sent me an email to that effect.

10 Q. Did you speak to Mr. Gross about the fact that Mr. Blau was  
11 saying that he had this misunderstanding about the value of the  
12 lease?

13 A. Yes.

14 Q. And was Mr. Gross someone that you told the prosecutors and  
15 the FBI agents that he would be the person that could help sort  
16 it out?

17 A. No. When he was approached, again by representatives of  
18 your client, he told me, and I immediately told the  
19 prosecutors.

20 Q. When Mr. Gross was approached by investigators from the  
21 defense, you say?

22 A. No, by friends of Murray's. He became uncomfortable and he  
23 told me, so I told the prosecutor about that.

24 Q. And did you tell the prosecutors that you expected that the  
25 \$47,000 lease that was signed by Mr. Blau was a legitimate

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Rechnitz - cross

1 lease?

2 A. It was a legitimate lease. It was a signed lease, reviewed  
3 by my attorney, Mr. Blau's attorney, and whatever we wrote out  
4 in the lease were the terms of the deal.

5 Q. But you never expected him to pay \$47,000 per month.

6 A. Yes, I did.

7 Q. You knew that he already called or would call for chapter  
8 eleven bankruptcy at the time that he signed the lease?

9 A. No. Once I was removed from the picture, or a few weeks  
10 prior, he said that he realized he signed too high a lease.  
11 Because part of his lease had a free rent period for four  
12 months, once the four months expired, he tried to renegotiate  
13 and said that he might file chapter eleven. I said do what you  
14 need to do, that's your rent.

15 Q. Did he negotiate that, or Mr. Gross?

16 A. Both.

17 Q. Was that before Blau sold Eichler's store sometimes later  
18 in 2017?

19 A. I wasn't involved in that sale, I don't know.

20 Q. But you were involved in the lease and the negotiations  
21 that led up to that the lease in February.

22 A. Correct.

23 Q. And when you went to the prosecutors here at the end of  
24 September 2017, you explained that Blau had told you that if  
25 the cost of the rent was not reduced, Blau would call for

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Rechnitz - cross

1 chapter eleven bankruptcy, correct?

2 A. Sorry, I'm trying to understand. You said when you met  
3 them, phone call or in person meeting?

4 Q. Regardless of the mode, do you remember speaking to them on  
5 the subject at the end of September 2017?

6 A. Yes, I filled them in on the situation.

7 Q. And you were telling them about the communications you had  
8 with Blau regarding the lease, correct?

9 A. I gave them the history of the transactions since I now got  
10 a phone call that they were being harassed by your client. So  
11 I had to fill the government in A to Z on that entire  
12 transaction.

13 Q. So you explained the transaction, and as part of that  
14 explanation you told them that Blau informed you that if the  
15 cost was rent was not reduced, Blau would call for chapter  
16 eleven bankruptcy.

17 A. Ari Gross told me that was his plan if I didn't reduce the  
18 rent.

19 Q. But you didn't reduce the rent or increase the rent because  
20 the rent was at some point in the \$30,000, but you increased it  
21 to 47,000, correct?

22 A. I'm sorry, can you repeat that?

23 Q. The old lease was for 36,000 per month, correct?

24 A. Correct.

25 Q. You increased it to \$47,000 per month, correct?



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Rechnitz - cross

1 A. Correct.

2 Q. You're saying that Ari Gross was telling you that if the  
3 rent was not reduced it would lead to chapter eleven bankruptcy  
4 for Mr. Blau?

5 A. Correct.

6 Q. And when you told the prosecutors this, did you also tell  
7 them that you were marketing the building for sale in the  
8 spring of 2017?

9 A. I'm not sure.

10 Q. Did you tell them that you submitted applications to  
11 potential lenders showing the \$47,000 lease?

12 A. I may have, I'm not sure.

13 Q. And did you tell the prosecutors that you were in constant  
14 contact with Mr. Gross after the lease had been executed in  
15 February of 2017?

16 A. I didn't neglect to mention it. I don't know, I may have.

17 Q. The prosecutors wanted know about this transaction,  
18 correct?

19 A. Right.

20 Q. You were trying to be complete and truthful about it,  
21 right?

22 A. Any questions they asked me, I answered.

23 Q. And you were trying to explain why this \$47,000 lease was a  
24 legitimate lease, that you weren't trying to defraud the bank  
25 or potential buyers of the property?

HAUTSEA6

Rechnitz - cross

1 A. I did not have to explain why it was legitimate. It was a  
2 legitimate lease. I told them the situation.

3 Q. And when Mr. Blau sent you an email saying that he  
4 apologized for telling other people that you had told him that  
5 the 47,000 lease was not legitimate, you told the prosecutors  
6 about that, too, right?

7 A. Yes.

8 Q. But you didn't tell the prosecutors about how that email  
9 was generated, did you?

10 A. I think I may have. I don't understand your question.

11 Q. Do you know how Mr. Blau came to write that email?

12 A. Yes.

13 Q. How?

14 A. I think through Ari Gross. I think I told Ari that Ari --  
15 sorry, I know what happened.

16 They also threatened Charles Herzka, the new manager,  
17 that they would go chapter eleven, so he told them to vacate  
18 the space. And then he tried to force them to sign an  
19 affidavit per the request of your partner, your client, that I  
20 had made up this whole lie. And then he wouldn't sign the  
21 affidavit. He said it was sworn testimony, he won't do it.

22 So Ari Gross showed me his lawyer at the time wrote a  
23 letter alleging that I had a different understanding than what  
24 was signed in the lease. So I said to Ari -- Ari showed me  
25 that letter, I said you better go on record and change it,

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1 because it's not true. And Eli had remorse, and did the right  
2 thing.

3 Q. So you coordinated with Ari Gross about how to respond to  
4 the Blau allegations?

5 A. Yes. Ari Gross was the one that I communicated with on  
6 anything to do with Eichler's. He is the one I called.

7 Q. And you didn't tell these prosecutors and the agent that  
8 during that time you are the one who worked with Ari Gross to  
9 come up with the Eli Blau email apology, did you?

10 A. I may have. Again, I don't know if I did or didn't. And I  
11 didn't come up with it and I didn't create it. Ari sent me  
12 several emails showing me drafts of what he wrote, and if that  
13 would be acceptable to me. And I said no, until he admits what  
14 he did, I don't need an email.

15 Q. And you didn't tell these prosecutors and the agent that  
16 the way that you got Ari Gross to help you change the story of  
17 Eli Blau was by bribing him, did you?

18 MR. BELL: Objection.

19 THE COURT: Sustained as to form.

20 Q. Let me change the question.

21 You didn't tell the agents or the prosecutor when you  
22 told the story that, in drafting this email, you did it after  
23 paying an all expense paid trip to the Four Seasons in Beverly  
24 Hills for Ari Gross, did you?

25 A. The two had nothing to do with each other. That's not

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1 correct.

2 Q. Well, let me break it down. On the weekend of August 9th  
3 to the 11th, you paid for Ari Gross, all expenses paid, at the  
4 Four Seasons Hotel in Beverly Hills, correct?

5 A. Correct.

6 Q. And you gave him cash to spend in addition to paying for  
7 about \$3,000 hotel bill?

8 A. I treated him to a trip, yes.

9 Q. You treated him to a trip to a Beverly Hills hotel, you  
10 gave him cash, correct?

11 A. Correct.

12 Q. And during that time when you were at the Beverly Hills  
13 hotel and paying him cash, you and Ari Gross drafted the email  
14 that you made Eli Blau send, correct?

15 A. No.

16 Q. Well, I'm going to show you what has been premarked for  
17 identification as MH 415.

18 MR. MAZUREK: Your Honor, if we could you put that on  
19 the screen.

20 Q. As we do that, I will ask you, you provided the cell phone  
21 that you had been using in 2017 to the government upon their  
22 request, correct?

23 A. Yes.

24 Q. So that they could download information that they had on  
25 that cell phone, correct?

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1 A. Yes.

2 Q. And you were using, at that point in time in the summer of  
3 2017, a messaging app calls WhatsApp, correct?

4 A. Yes.

5 Q. And you were using that application in order to communicate  
6 with Ari Gross, correct?

7 A. Yes.

8 THE COURT: Let me just remind the witness to lean  
9 into the microphone, please.

10 THE WITNESS: Yes.

11 THE COURT: Go ahead, counsel.

12 Q. Now I think you testified on direct examination the phone  
13 that you were using back in 2015 you had destroyed, correct?

14 A. Correct.

15 Q. This is the 2017 phone that you gave to the prosecutors,  
16 correct?

17 A. Correct.

18 Q. Now you deleted a lot of the messages that you had between  
19 Gross and yourself that weekend when he was in Beverly Hills,  
20 correct?

21 A. I'm not sure.

22 Q. Well, I'm going to show you a certain page of what should  
23 be only on for the witness, MH 415.

24 A. It comes up as dark.

25 MR. MAZUREK: If we could turn to the page that's

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1 marked Bates stamped 2156. If we could expand just for the  
2 witness the middle portion of the page.

3 Q. I'll direct your attention specifically to an entry dated  
4 8/9/2017 at 3:36:40 p.m. Do you see that on the screen?

5 A. I do.

6 Q. You're familiar with the telephone number 212-498-9756.

7 A. That's Ari Gross.

8 Q. That's Ari Gross.

9 At this point in time Ari Gross was in Beverly Hills  
10 at the Four Seasons Hotel, is that right?

11 A. Could be.

12 Q. You met him there, correct?

13 A. Yes.

14 Q. You were texting at that point in time and he was telling  
15 you that Eli, meaning Eli Blau, asked me not to tell you  
16 anything of what was planned and done, but I think you should  
17 know. Therefore, please keep it between us.

18 Do you see that?

19 A. Yes.

20 Q. And you went on that weekend drafting Eli Brau's email  
21 between you and Ari Gross, correct?

22 A. I would not say drafting, but I went back and forth making  
23 sure the letter was to my satisfaction.

24 MR. MAZUREK: Well, let's turn to page Bates stamped  
25 page 2159 at the bottom right, and expand the middle portion of

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1 the page.

2 Q. Now there are a number of drafts that went back and forth  
3 on your WhatsApp between you and Ari Gross on August 10, 2017,  
4 correct?

5 A. Yes.

6 Q. And directing your attention to the entry on 8/10/2017 at  
7 12:01 p.m., do you see that, two-thirds down?

8 A. Yes.

9 Q. And your phone number is 646-283-3283, correct?

10 A. Yes.

11 Q. You're writing to Ari Gross: I'll write something with you  
12 later. I don't like this version. Thanks. Correct?

13 A. Yep.

14 Q. You're writing the apology email for Ari to Eli Blau,  
15 correct?

16 A. I was not satisfied with the draft he sent me, so I told  
17 him what I would need changed in order for me to forgive him,  
18 correct.

19 Q. And you were doing it poolside with Ari Gross after  
20 spending thousands of dollars on his behalf to fly him out to  
21 Beverly Hills so you guys could do this together, correct?

22 A. No, I did not go anywhere poolside with that.

23 Q. I'll withdraw the poolside question.

24 You were negotiating this email that was going to be  
25 written by a third person with Ari Gross, who you paid

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1 thousands of dollars to, to fly out at the Four Seasons Hotel.

2 A. I did not pay him thousands of dollars.

3 Q. Well, I'm going to show you what has been premarked for  
4 identification both as MH 409, MH 410 and MH 411?

5 THE COURT: Counsel, we need to break in about five  
6 minutes.

7 MR. MAZUREK: Five minutes and I'm done. That's all I  
8 need.

9 Q. If you look at those, I'll start with MH 409, do you  
10 recognize that as an invoice that you paid for Ari Gross for  
11 his stay at the Four Seasons Hotel in Beverly Hills?

12 A. Yes.

13 Q. And that's the last four digits of your American Express  
14 card?

15 A. Yes, I paid for his hotel stay.

16 Q. That was the amount of \$2,298.38?

17 A. Yes.

18 MR. MAZUREK: Your Honor, move for admission of MH  
19 409.

20 MR. BELL: Objection, 608.

21 MR. MAZUREK: I won't move it in.

22 Q. I will ask you to look also at MH 410 and 411. Are those  
23 accurate depictions of the cash and notes that you left for  
24 Mr. Ari Gross when he arrived at the Beverly Hills at the Four  
25 Seasons?



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1 A. Yes, this is the spending money we discussed before.

2 Q. And that's that spending money was approximately \$2,000  
3 given in hundred dollar bills, correct?

4 A. Yes.

5 Q. And you told Ari Gross at the time: Ticket for your car,  
6 charge any food, spa, message, parking to your room number 403,  
7 paid for on the credit card on the file, correct?

8 A. Yes, he was my guest.

9 Q. And you told him in an envelope with the \$2,000 cash  
10 spending money for your vacation, I insist that you give --  
11 that you are my guest. Correct?

12 A. Yes.

13 Q. And you told him I don't want you to spend even one dollar  
14 out of your pocket, correct?

15 A. Yes.

16 Q. And then you drafted a fraudulent email about the Blau  
17 lease, correct?

18 A. No.

19 MR. MAZUREK: I have nothing further, your Honor, at  
20 this time. I'm not done with cross-examination.

21 THE COURT: Members of jury, we'll take our break for  
22 the day and finish for the day. I will instruct you, as I  
23 always have, don't read anything about this case. If you were  
24 to see something about this case in writing, stop reading.  
25 Don't listen to anything about this case. If you hear anything

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1 about this case, stop listening. Don't discuss this case with  
2 anyone else. Don't allow anyone to discuss this case with you.  
3 Don't do any research related to any of the people or issues  
4 involved in this case.

5 As usual, I would like you here at 9:00 o'clock  
6 tomorrow, and we'll go until 2:30. Also, make sure that you  
7 don't leave any -- leave the notebooks in the jury room, but  
8 don't leave any other personal items in the jury room.

9 We'll see you tomorrow at 9:00 a.m.

10 (Jury not present)

11 THE COURT: Any reason not to excuse the witness?

12 MR. BELL: That's fine.

13 MR. SCHECHTMAN: Could I ask for the witness's lawyer  
14 to remain in the room for a minute?

15 THE COURT: Okay.

16 MR. SCHECHTMAN: Two requests. The witness is on  
17 cross-examination, and I know that the government has no  
18 intention of talking to him during his cross-examination. I  
19 just wanted to confirm that that's the case.

20 MR. BELL: It always is, your Honor, it is now.

21 MR. SCHECHTMAN: He has two lawyers who watched this  
22 whole thing, and I ask that they be instructed not to talk  
23 to him while he's on cross-examination. Because they sat in on  
24 every proffer and sat in the courtroom and sat in the courtroom  
25 at times when the witness hasn't been here. And what they're

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1 going to do -- I say this respectfully, I was called  
2 disingenuous the other day -- they're perfectly capable of  
3 coaching this witness as well.

4 So I would ask that nobody coach this witness this  
5 evening because he's on cross-examination. He already hasn't  
6 done very well, and it seems to me that he doesn't need to be  
7 coached.

8 MR. BELL: Your Honor --

9 THE COURT: Hold on. Let me find out from defense  
10 counsel, what authority are you citing for this proposition  
11 that I should keep a witness's lawyers from talking to this  
12 witness while the witness is being cross-examined?

13 MR. SCHECHTMAN: I don't mind that they talk to him  
14 and say keep up the good work, but if they're allowed to come  
15 and shape his cross-examination, I don't know what world this  
16 is.

17 And so if you're asking me: Do I have a case? No.  
18 But there's a reason they can't talk to him, and reason they  
19 can't talk to him is because you can't coach a witness on  
20 cross-examination. Why should they be able to do it? They  
21 will walk out here and say that answer wasn't perfect, you  
22 could say this if the subject comes up again. How does one  
23 allow that? He's on cross-examination. When our witnesses are  
24 on cross-examination, we can't use proxies. So I don't know a  
25 case, I will try and find one, but I would be taken aback by

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1 the notion that they're allowed to do what the government  
2 can't.

3 THE COURT: What sort of coaching is it that you're  
4 concerned about? I don't think there's a lot of mystery as to  
5 what some of this cross-examination is going to be. Give me a  
6 sense.

7 MR. SCHECHTMAN: Why do we have a rule they can't  
8 coach them?

9 MR. BELL: I will tell why we're not going to speak to  
10 Mr. Rechnitz, your Honor, it's because it would open itself to  
11 a fairly easily identifiable avenue of cross, and more to the  
12 point we don't think there's any need.

13 I struggle to come up with any sort of authority for  
14 the extraordinary relief that Mr. Schechtman seeks here. And  
15 with your Honor having been a defense counsel, it doesn't sound  
16 like your Honor is familiar with any such authority either. I  
17 tend to think that, much like earlier, we all sort of  
18 recognized the need for the Court not to police the seating  
19 arrangements within the court, so too, do I find little  
20 justification or authority for the Court, or Mr. Schechtman  
21 through the Court, to police Mr. Rechnitz's communications with  
22 his counsel.

23 THE COURT: Let's do this, because I think we may be  
24 arguing over something that is entirely moot. His counsel are  
25 here. I would assume they have no desire to coach him anyway.

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1 But let's hear, his counsel are here, put your name on the  
2 record, please.

3 MR. LEVINE: Alan Levine and Laura Birger. We  
4 represent Mr. Rechnitz. I don't know of any legal basis for  
5 Mr. Schechtman's application, and we have our professional  
6 responsibilities. We'll need to live up to them.

7 THE COURT: But my question is without --

8 MR. LEVINE: Your Honor, the word "coaching" has  
9 different meanings. I never, quote, coached a witness, whether  
10 I have been at the front table or the back table. So I have my  
11 professional responsibilities to my client, and I will live up  
12 to them, your Honor.

13 MR. SCHECHTMAN: That's a lovely answer, which I take  
14 it means the following, that he has full intentions to talk to  
15 this witness about his questions and answers. I'm asking that  
16 he not be able to do it, because you have a witness on  
17 cross-examination who is struggling. That answer says I plan  
18 to go out and talk to him about how he answered questions.

19 My good friend here says the following: We wouldn't  
20 do it because it opens a line of cross-examination. If I tried  
21 to ask what did Mr. Levine say to you, the answer is it's  
22 privileged, so I can't open up that line of cross-examination.  
23 So we now have a situation where he can coach, or whatever word  
24 he wants, and I can't inquire about it because it's privileged.

25 MR. BELL: This is the latest --

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1           THE COURT: Hold on. Let me get a clearer sense from  
2 defense counsel as to what you mean by coaching. Are we  
3 talking about there was conversations before with this witness  
4 about the San Antonio Spurs and Cleveland Cavaliers, are we  
5 talking about Popovich-style coaching or something a little  
6 more laid back?

7           I'm saying, without characterizing how the witness may  
8 or may not be doing, in terms of how well or not well the  
9 witness is doing on the stand, the witness is on the witness  
10 stand, the witness has been asked questions by counsel, and it  
11 is what it is. I just want to make sure I'm clear as to --  
12 just give me an example of what it is you think, because I'm  
13 trying to get my mind around this. So if his lawyers says to  
14 him what, try to be as evasive as you can, that is something  
15 that --

16          MR. SCHECHTMAN: I know both of them to better to say  
17 that. But if he said the following: If you get that question  
18 again, or if you get an opportunity tomorrow, clarify it this  
19 way, or even if it is when you do this, you're being smug,  
20 which is it to say, he's on cross-examination, and they should  
21 not be able to tell him anything about how he should be  
22 answering questions.

23          THE COURT: I will say this: Counsel are very  
24 experienced lawyers. If a witness is asked a short leading  
25 question and the witness becomes evasive, that will be very

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1 obvious to the jury. If the question is such that gives the  
2 witness the opportunity to elaborate or to give an answer if  
3 it's a more open ended question, yes, there is a risk that the  
4 witness is going to volunteer more information that may be not  
5 particularly helpful to the person cross-examining that adverse  
6 witness.

7 I will certainly be watching closely, and if the  
8 questions are of such -- counsel can ask questions however me  
9 wish to ask them, if the questions are such where I feel that  
10 the witness is avoiding answering the questions or giving a  
11 narrative question when it is clearly not required by the  
12 question, then there are remedies that we can have for that.

13 But give me a clearer sense, again, if you're talking  
14 about basically body language, like his lawyers acting like  
15 body language experts?

16 MR. SCHECHTMAN: I'm talking about the following: He  
17 got hurt badly this afternoon, because as far as I can tell --  
18 this is my second point. As far as I can tell, this fellow  
19 bribed somebody to write an email that they gave to the  
20 government. So that's not a really good piece of  
21 cross-examination if you're a witness.

22 Now if the question is you weren't clear about this,  
23 or clarify that, or if you get a chance tomorrow, make sure you  
24 say this, I'm not saying it because I'm telling him to lie but  
25 telling them how to make his testimony better, clearer,

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1 whatever it may be.

2 Now if I say to him did you talk to your lawyers last  
3 night, I did, what did they say to you, objection, privileged.  
4 What do I do?

5 THE COURT: Wait a minute, let's find out here. I  
6 guess if we play that out, in terms -- if you ask this witness  
7 a question, give me an example of a question you would ask this  
8 witness in terms of did you talk to your lawyers last night,  
9 yes, I did.

10 MR. SCHECHTMAN: Did they discuss any of the questions  
11 that were put to you today.

12 THE COURT: And if he said --

13 MR. SCHECHTMAN: Privileged.

14 THE COURT: Well, I don't know if that's necessarily  
15 privileged, that kind of general question.

16 MR. SCHECHTMAN: Did they give you any advice,  
17 privileged.

18 THE COURT: I don't know if giving advice about a  
19 general topic matter invokes the attorney-client privilege. If  
20 you ask a general question such as did they talk to you about  
21 your testimony here in court, and if he says yes, it seems to  
22 me that you have an answer that you do whatever you want to do  
23 with that answer.

24 MR. SCHECHTMAN: What did they say to you.

25 THE COURT: There may very well be a privileged



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1 objection.

2 MR. SCHECHTMAN: That's my problem.

3 THE COURT: Why is that a problem? Some of what  
4 you're saying is this witness's mind is cloaked in mystery and  
5 cloaked in the desire to lie, and such --

6 MR. SCHECHTMAN: You have a very good prosecutor stand  
7 up and saying they don't do it because it opens a line of  
8 cross-examination. What did the government tell you to say?  
9 If I try that now, right, the answer is privileged. All I'm  
10 saying is let him be a witness. Let him get on the witness and  
11 testify. Ask him about the Cleveland Cavaliers, they lost last  
12 night, I'm surprised. Let him talk about the Cavaliers, but  
13 don't let him talk about his testimony.

14 MR. BELL: Your Honor, may I be heard here?

15 THE COURT: Sure.

16 MR. BELL: Mr. Schechtman is raising an issue that is  
17 not unique to this case. The witnesses testified. Witnesses  
18 testify pursuant to cooperation agreements and testify. If  
19 Mr. Schechtman, notwithstanding the fact that the number of  
20 cooperating witnesses who have testified over the course of  
21 more than a day, have come through here probably like  
22 McDonald's, billions and billions served, if there is a bit of  
23 case law that actually supports what he is asking for here, I  
24 will be pretty surprised.

25 But the other thing that I will offer, just by way of

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1 helping to -- the other thing that I offer is we are not  
2 planning to talk to Mr. Rechnitz's counsel about the substance  
3 of his testimony at all, or really at all except to coordinate  
4 his getting here in the morning. But I think fundamentally  
5 there's nothing that distinguishes this case from every other  
6 case in which a witness has had counsel. And there's no  
7 authority that I am aware of, and that I think that Mr. Levine  
8 is aware of, that supports that sort of remedy.

9 MR. SCHECHTMAN: How is this, Judge, one month ago in  
10 this courtroom in United States versus Billy Walters, Judge  
11 Castel granted this exact request.

12 MR. BELL: I would love to see it.

13 MR. SCHECHTMAN: 16 CR 338.

14 MR. BELL: It seems to me Mr. Schechtman is reading  
15 from a written note that says Judge Castel granted that  
16 request. We would like an opportunity to look into this some  
17 more. But it seems an extraordinary remedy, objectively,  
18 Judge. It's not one that I'm aware of, it's not one that your  
19 Honor seems to be aware of, it's not one that Mr. Levine seems  
20 to have been aware of, and between --

21 MR. SCHECHTMAN: What is extraordinary by saying let  
22 him be a witness?

23 THE COURT: Docket number 16338.

24 MR. SCHECHTMAN: I don't know if the order is on the  
25 docket, but I know he was ordered not to talk to him.

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1 MR. BELL: If it is possible for Mr. Schechtman, if  
2 he's aware, to provide some color as to what in that instance  
3 provided that rare and extraordinary relief, I would love to be  
4 educated as well.

5 MR. SCHECHTMAN: As far as I know, the color was this:  
6 The witness was in the middle of cross-examination, he had his  
7 lawyer, and an instruction was given so that no one would tell  
8 him how to do anything other than testify on his own.

9 MR. BELL: If those are the essential facts, then it  
10 is a remarkable thing that nobody ever heard of this happening  
11 before.

12 THE COURT: Hold on.

13 MR. SCHECHTMAN: Judge, could I propose the following?  
14 Both parties have until six to see what authority we can find,  
15 including this case, that counsel for the witness will be  
16 instructed not to have such conversations until six o'clock.

17 THE COURT: Okay. Hold on.

18 (Pause)

19 THE COURT: I don't see anything evident on the  
20 docket.

21 MR. SCHECHTMAN: May we have until six? I think we  
22 could get the transcript. Barry Burke tried the case. I think  
23 I could call him, and he's usually pretty quick to respond.  
24 But all we're asking is that the lawyers be instructed until  
25 six o'clock that they not talk about the case, and if we don't

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1 persuade you by six o'clock there's precedent for this -- it  
2 does make good sense, but if we don't persuade you, you could  
3 put an order on the docket saying they're free to coach him.

4 THE COURT: Hold on. It does seem that not talking  
5 about the case is a little broad. If your concern is really  
6 about not talking about the subject matter of his testimony --

7 MR. SCHECHTMAN: That's right, Judge.

8 THE COURT: That seems more cabined to what we're  
9 talking about.

10 MR. LEVINE: Your Honor, I object. Absent an order  
11 from this Court, I have absolutely every intention of following  
12 my professional responsibility to this client. The fact that  
13 there was going to be cross-examination of Mr. Rechnitz or any  
14 other witness has been known to the defense. If they wanted to  
15 impose this kind of order on me during this trial they have had  
16 months to think about it and present that legal authority to  
17 the Court.

18 I don't see any -- I have never heard of this kind of  
19 instruction given to a defense counsel, and I'm surprised that  
20 a fellow defense counsel is seeking to prevent a witness's  
21 lawyer from giving that client legal advice. I certainly  
22 understand what the word "coaching" means, and Mr. Schechtman  
23 knows me well enough to know that I know my professional  
24 responsibilities and I don't see any legal basis for this Court  
25 to impose that kind of order.

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1           THE COURT: I suppose this is what I was trying to  
2 find out, if there was a way that we could come to some sort of  
3 agreement. It seems to me if not, I will need some time to  
4 look into this, but it seems to me it doesn't sound as if  
5 counsel for Mr. Rechnitz has any desire to coach Mr. Rechnitz  
6 regarding the subject matter of his testimony. If that is in  
7 fact correct, it seems to me that you don't need an order from  
8 me if counsel will state that that is not the intention of  
9 counsel, as an officer of the Court, you don't need any order  
10 by me.

11           MR. LEVINE: I don't know how Mr. Schechtman is using  
12 the word "coaching."

13           THE COURT: What I'm saying is talking about the  
14 subject matter of a witness's testimony.

15           MR. LEVINE: I'm not going to represent to the Court  
16 what I'm going to talk to my client about. That's protected by  
17 the attorney-client privilege.

18           THE COURT: Okay, let's do this --

19           MR. BELL: Your Honor, the other thing that I note,  
20 this is extraordinary relief to seek on any timeline. It's  
21 extraordinary to seek between now and sometime tonight, it's  
22 extraordinary to seek for the remainder of the trial, it's not  
23 something that we're aware of there being any authority.

24           THE COURT: What we're doing now is free-styling.  
25 Give me 30 minutes to look, and let's have everyone hang out

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1 for 30 minutes, and let's not have --

2 MR. BELL: I will put one other thing on the record  
3 your Honor, it only goes to the premise Mr. Schechtman's  
4 argument. We disagree with his characterization of the  
5 testimony. I think the witness is doing awesome.

6 THE COURT: So give me 30 minutes and let me look into  
7 this. I will be back in 30 minutes.

8 (Recess taken)

9 THE COURT: Have counsel had a chance to look into any  
10 cases or Judge Castel's transcript?

11 MR. BELL: We did, your Honor.

12 THE COURT: Let me hear you.

13 MR. SCHECHTMAN: Judge, I can start. I stopped  
14 looking for cases when I found the Supreme Court case.

15 THE COURT: Okay.

16 MR. SCHECHTMAN: *Perry v. Leeke*, 488 U.S. 272, 281.  
17 If I understand it right, it says you have discretion to do it.  
18 He has no right to consult with counsel.

19 THE COURT: Speak up.

20 MR. SCHECHTMAN: It says you have discretion to do  
21 this, to issue such an issue, preventing communication about  
22 the subject matter of the cross-examination. It's in your  
23 discretion. It's 488 U.S. 272 at 281.

24 MR. BELL: I'll add some meat to those bones, your  
25 Honor. I think the tail end of the opinion is perhaps clearest

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1 about this. This concerned a 15-minute break over which the  
2 judge had reason to believe that that was the only thing that  
3 they might talk about, and the opinion was very narrowly  
4 cabined. We certainly don't disagree with the notion that your  
5 Honor has the discretion to order such a thing, but that should  
6 inform to some degree how that's carried out.

7 I note this with respect to the Walters case before  
8 Judge Castel, our understanding is that Mr. Burke -- and we  
9 have not just an understanding, we have reviewed the  
10 transcript -- Mr. Burke originally broached this because of a  
11 relationship that existed between the witness's counsel, whose  
12 twin brother was still a member of the office, and there was  
13 some agent entanglements as well. Judge Castel, for the first  
14 evening, essentially used his discretion to order that counsel  
15 not talk to the witness. The next day -- and I gather that  
16 this was relatively early on in the witness, Mr. Davis',  
17 testimony. The next day he pulled back, and he pulled back for  
18 reasons that I think are instructive here. And perhaps the  
19 most useful thing that I could do is give your Honor the  
20 relevant pages of testimony.

21 But the upshot is that the witness's attorney  
22 represented that he understood that there was going to be  
23 cross-examination, quote, about whether the witness has  
24 committed certain crimes and whether he violated his  
25 cooperation agreement. Counsel agreed, believed in good faith

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1 that, as his counsel, he's going to have questions about that  
2 for him. He, therefore, asked specifically not to talk to him  
3 about his testimony or how he should testify later in the day.  
4 I'm quoting from the transcript here, but then noted if he  
5 wants to ask me about the issues he has been questioned about,  
6 I would like to be able to give him legal advice. At which the  
7 court said: Well, I understand your point. There was some  
8 colloquy as to why that couldn't wait until the witness was off  
9 the stand, but ultimately there was a ruling that he couldn't,  
10 and that was appropriate, again, in the Court's discretion to  
11 pare back that initial ruling. That is in the Walters  
12 transcript on pages 1070 through 1073, and I'll hand that up to  
13 your Honor, because it's a quick read.

14 THE COURT: Okay.

15 MR. BELL: But the upshot is the reason why Judge  
16 Castel pared back his ruling is because there was an active  
17 concern, as there very clearly is here, about questioning that  
18 was going to go to whether the defendant had committed a  
19 criminal act, specifically fraud, whether the defendant might  
20 be in violation of his cooperation agreement.

21 The seal's already been broken on both of those topics  
22 when it comes to this witness. So I would think, if anything,  
23 if we were going to follow the example of Walters here, again  
24 at baseline an extraordinarily rare example of a judge even  
25 using discretion in this way, then it ought to be done not in



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1 blanket fashion but such that Mr. Rechnitz can legitimately  
2 seek counsel in areas that are live clearly and important  
3 clearly.

4 More than that, though, at best, the Supreme Court  
5 opinion is that this is the sort of thing that is within your  
6 Honor's discretion. This doesn't seem to me to be  
7 distinguished from any number of other circumstances, literally  
8 hundreds, your Honor, in which cooperation testimony begins one  
9 day and concludes another day or cross-examination begins one  
10 day and concludes another day. And for that reason, we would  
11 ask specifically that this not be treated in any way different  
12 than cross-examination in most instances, because I don't think  
13 that there's been any specific reason presented that  
14 distinguishes it here.

15 But more than that, if your Honor is inclined to  
16 entertain this motion of providing this extraordinarily rare  
17 remedy, a remedy sufficiently rare that nobody in the room was  
18 sure it existed, we would ask that it be appropriately pared  
19 down at least to follow the contours of Walters.

20 I don't know if Mr. Rechnitz's counsel wants to add to  
21 that, but that's the government's position.

22 THE COURT: Let me ask defense counsel, what is your  
23 view on the distinction between the time frame in terms of the  
24 time of the break and the time of the prohibition between  
25 counsel speaking to her client between such as a *Perry v. Leeke*

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1 case or a *United States v. Geddes* case, which is kind of what  
2 started this about an overnight break with the defendant. And  
3 let me get the government's take on whether it's a non-party as  
4 opposed to a criminal defendant. Let's start with defense  
5 counsel first.

6 MR. SCHECHTMAN: I think the *Perry v. Leeke* case is a  
7 witness, and I think it's clear you have discretion.

8 If it was earlier in the day, 11 o'clock, and he said  
9 he wanted to talk to his lawyer, I suppose the answer is if he  
10 really has a legal issue, he's not sure whether he should  
11 invoke, not sure whether this testimony is violative of the  
12 agreement, I don't think I could stand in the way of that.

13 So to the extent you have a modification here, it  
14 strikes me as a sensible one. I don't want to get in the way  
15 of giving legal advice. But what I do want to get in the way  
16 of is having lawyers talk about what the right answer is, how  
17 to answer questions better, how to change answers, not so that  
18 they're false, but that they're come across better or any of  
19 that.

20 So if you want to make the modification that has been  
21 suggested and say that they can give legal advice, I'm okay  
22 with that. But there's a part of me that is sort of taken  
23 aback by all this, which is they know they can't talk to this  
24 witness. That has been the rule in this courthouse forever.  
25 And I'm surprised that you have an Assistant United States

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1 Attorney who stands up and says I can't do it, but God am I  
2 lucky because I have someone else who can. And it's not coming  
3 from them, it's coming from this seat. We would like him to be  
4 able to do what we can't do.

5 So my view is you have discretion. There's a  
6 limitation that is Judge Castel imposed, which strikes me as  
7 very sensible, because you can't stop a lawyer from giving  
8 legal advice, particularly to someone who may need it. But to  
9 go beyond that and to talk about the subject matter of the  
10 examination where it's not giving legal advice, it's just  
11 talking about how to answer questions and how to answer  
12 questions better and demeanor and other things, seems to me  
13 they can't do it, they shouldn't be able to do.

14 Now it's not for me to pry, but they have been back  
15 there for the last hour and ten minutes. I guess the answer is  
16 there's no order. So maybe this is moot. Which is I wouldn't  
17 have gone back there if it was me, if I had a judge out who was  
18 trying to decide this issue. But if I asked Mr. Levine did you  
19 talk about his testimony, I know what the answer is going to  
20 be, I know my professional responsibility. But I assume he was  
21 back there, he certainly wasn't here, so what am I supposed to  
22 to about that?

23 But all I can say is it seems to me you have  
24 discretion. It's not unreasonable. This is a highly important  
25 witness. This is the only real witness in this case, and all

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1 we're asking is, other than giving legal advice, don't talk to  
2 this person about the subject of his testimony so that we can  
3 cross-examine him on counsel.

4 THE COURT: Let me ask you this question before we go  
5 further down this road. I don't believe that the government  
6 has indicated a desire to have counsel for this witness speak  
7 to this witness on their behalf or at their behest. If that is  
8 the concern, the concern is that counsel for the witness is  
9 going to basically be the assistant coach for the government  
10 and going to try to attempt to coach this witness in a way that  
11 the government would approve of, it certainly seems there's  
12 nothing barring me from prohibiting the government from  
13 speaking to Mr. Rechnitz's lawyers about the subject matter of  
14 his testimony, if that was your concern.

15 MR. LEVINE: Your Honor --

16 THE COURT: Hold on. If that's the concern. I do  
17 want to make sure I have a clear sense of what the concern is,  
18 because what you have talked about thus far is coaching, and it  
19 seems that you're talking about coaching this witness in a way  
20 so that this witness will come across better in terms of  
21 demeanor and in terms of what the witness is saying. Is that  
22 what the concern is?

23 MR. SCHECHTMAN: This guy, every time you ask him a  
24 question he says nope, nope, and he does it each time more  
25 arrogantly than the time before.

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1 THE COURT: Hold on. What my concern is is this -- go  
2 ahead.

3 MR. SCHECHTMAN: Can we say to him don't say nope, say  
4 no, say no, sir, but don't say nope, it's not coming across  
5 well. My view is he shouldn't be able to do it. That's not  
6 legal advice.

7 THE COURT: To the extent that there was a concern  
8 about the lawyers trying to coach them, again, this is not --  
9 it doesn't take a psychic to be able to make some of these  
10 determinations and to get some of this out, but to the extent  
11 that that's a concern, obviously you're expressing this concern  
12 here, and maybe the lawyer will do this.

13 It does seem to me some of this is readily apparent in  
14 terms of what you're talking about, perhaps, in terms of  
15 witness's demeanor. If the witness's demeanor somehow changes  
16 drastically tomorrow, if the witness's manner in answering  
17 questions somehow changes drastically, I do think that it may  
18 be appropriate for counsel to ask this witness if this witness  
19 had conversations with counsel about the subject matter of  
20 testimony. That's a yes or no answer. That's some of the  
21 things that Judge Castel talked about also in this colloquy.  
22 If the answer is yes, then the jury will do with it as it must  
23 or as it wants to. If the answer is no, you're stuck with that  
24 and we move on. But it seems that kind of deals with the  
25 concern.

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1 MR. SCHECHTMAN: The if the answer is yes, I'm stuck  
2 with it. If I want to say did they tell you yesterday all day  
3 you said nope, now today you haven't said nope once, did your  
4 counsel tell you not to say that? The answer is privileged.

5 THE COURT: I don't know if that's necessarily  
6 privileged.

7 MR. SCHECHTMAN: If that's not, I may be okay.

8 THE COURT: I don't think that's necessarily legal  
9 advice in terms of did your counsel tell you to say no instead  
10 of nope.

11 MR. SCHECHTMAN: If I could ask those questions, I'm  
12 okay.

13 MR. BELL: Couple of things, I guess. I imagine, your  
14 Honor, should that happen tomorrow, of course, it could be  
15 because Mr. Mazurek asks better questions, could also be  
16 because he will have taken the stand on a day when his Dodgers  
17 didn't lose heart breakingly the night before.

18 But more than that, your Honor, we would ask that,  
19 again, we come back to this idea of discretion. The whole  
20 thing of discretion is that you have it, but that you employ it  
21 where there's an actual reason to do so. Chris Rock had a line  
22 about how just because technically you can drive a car with  
23 your feet doesn't mean it need to be done. I'm not sure that  
24 there has been a reason provided to distinguish this from the  
25 lion's share of cases of instances generally. And so we would

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1 still ask that the Court not do anything here.

2 And by the way, under that -- in that view of the  
3 world, Mr. Schechtman would be able to ask the same questions  
4 that he alluded to a moment ago.

5 MR. SCHECHTMAN: Judge, at one o'clock today he said  
6 your Honor, may I just -- could we take a break, I would like  
7 to talk to the witness. You would say: About what? And if  
8 the answer was about his demeanor and the way he's answering  
9 questions, you would say you got to be kidding me. Right? So  
10 all I'm saying is give legal advice, but don't talk to him  
11 about the way he's answering questions. Let him be himself.

12 MR. LEVINE: Your Honor --

13 THE COURT: Hold on. Okay. Here's what I'm concerned  
14 about. I'm going to get from counsel for Mr. Rechnitz -- I  
15 know counsel very rarely want to concede anything, but let me  
16 ask this question anyway: What is your view on the propriety,  
17 of if you speak to Mr. Rechnitz about counsel making an inquiry  
18 in a general way about Mr. Rechnitz's -- if Mr. Rechnitz's  
19 testimony is somehow different or his manner of testifying is  
20 different or even if it's the same, what is your position on  
21 whether or not it invades attorney-client privilege for counsel  
22 to simply ask if Mr. Rechnitz had a conversation with his  
23 lawyer between yesterday at 2:30 and today?

24 MR. LEVINE: First, your Honor, let me clear up one  
25 speculation of Mr. Schechtman that is ill founded, and the

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1 government hasn't asked me or Ms. Birger to talk to our client.

2 THE COURT: Okay.

3 MR. LEVINE: And if the Court wants a representation  
4 from me that I will not discuss during cross any concerns or  
5 issues they have about Mr. Rechnitz with the government, I'm  
6 prepared to give the Court that representation. I have no  
7 intention of talking to the government about the legal advice  
8 that I'm going to give Mr. Rechnitz if it occurs that he needs  
9 it. So the concern that Mr. Schechtman has that me being  
10 essentially an agent for the government to do indirectly what  
11 the government can't do itself, I put to rest that issue, your  
12 Honor.

13 Second --

14 MR. SCHECHTMAN: That doesn't put it to rest.

15 MR. LEVINE: You just made a big point --

16 THE COURT: Hold on, counsel. We have very  
17 experienced lawyers going at each other in a way that's not  
18 appropriate. How about you answer my question.

19 MR. LEVINE: Your Honor, I think a question of whether  
20 he had a conversation with his lawyer between last night and  
21 today is not an objectionable question as far as the attorney-  
22 client privilege goes. The fact of a conversation is not  
23 protected by the privilege, so far as I know.

24 A second question of what was discussed in any way,  
25 that would be a violation or invasion of the privilege.



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1           THE COURT: So it seems to me that what makes sense  
2 is, given the record before me, to the extent that I have  
3 discretion to order counsel for Mr. Rechnitz not to give any --  
4 not to speak to Mr. Rechnitz, I decline to do that.

5           It does seem to me that it's certainly appropriate, if  
6 counsel chooses tomorrow, to go into whether or not in a  
7 general sense Mr. Rechnitz spoke to his attorney before  
8 testifying today, which would be tomorrow. I think that that's  
9 fine, and I think that sort of cures most of the concerns that  
10 Mr. Schechtman has, and that Mr. Huberfeld has. Certainly  
11 not -- I don't know if counsel particularly cares as to what  
12 might be the reason if in fact Mr. Rechnitz's testimony is  
13 somehow different, if he answers in a different way or has a  
14 different demeanor, there certainly may be reasons that counsel  
15 could bring out as to why Mr. Rechnitz changed his tone or his  
16 way of answering in terms of whether or not he spoke to his  
17 attorneys, whether or not he thought about how he was doing,  
18 whether or not he spoke to anyone else, whether or not whatever  
19 the case may be.

20           I think that that's all fine, and I don't think  
21 there's any problem there, and I think that certainly solves  
22 the concern that counsel raised in the most appropriate way. I  
23 don't want to interfere with Mr. Rechnitz's right to obtain  
24 legal advice because Mr. Rechnitz is testifying pursuant to a  
25 cooperation agreement which certainly covers many crimes. But

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1 my recollection of the cooperation agreement is not that it  
2 covers everything, it covers basically the crimes that the  
3 government has indicated Mr. Rechnitz talked about.

4 So if there are other crimes out there that counsel  
5 may wish to go into, and from the opening statement and from  
6 earlier legal arguments we have had here, I have a sense that  
7 counsel may wish to do that. I would certainly give counsel  
8 scope to do that if they chose to do that. It seems to me it  
9 would be appropriate for Mr. Rechnitz to be able to talk to a  
10 lawyer about that.

11 So that's is what I'm inclined to do, but I will hear  
12 if there's anything for counsel from the government,  
13 Mr. Seabrook, Mr. Huberfeld or Mr. Rechnitz.

14 MR. BELL: That sounds fine, your Honor.

15 MR. SCHECHTMAN: Six days ago you told me that I  
16 should know when I'm winning, I suppose I should also know when  
17 I'm losing. Nothing more. I hope that we can limit what is  
18 said legal advice, but counsel will do what he thinks is  
19 appropriate.

20 I want to raise one other issue briefly. Mr. Seabrook  
21 said I don't have him over for dinner I'm in trouble. If I  
22 understand the testimony at the end of the day, your Honor, the  
23 testimony at the end of the day came out a little bit  
24 disjointed, but the testimony at the end of the day was that  
25 there was an email prepared that was given to government to

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1 exonerate this witness about inflating a rent presumably to get  
2 a bigger mortgage.

3 What we learned was the witness essentially wrote it,  
4 he didn't like the first version and he rewrote it. What we  
5 also learned is, coincidentally, I suppose, the witness was at  
6 a fancy hotel on the West Coast, paid for by Mr. Rechnitz, with  
7 cash left for him and the like.

8 It is the case and that at the end of this case the  
9 government is going to stand up and say there is a cooperation  
10 agreement here and that's why he's being so truthful. That's a  
11 horse that's been pounded before, but I simply ask that the  
12 government go back, take a look at that testimony, because I  
13 think what happened is that witness was bribed to write an  
14 email that suited this person's interest, and when he didn't  
15 get that interest, he wrote it himself.

16 If that's the case, all of which happened after June  
17 of 2016, the government should not be standing up and saying we  
18 have a cooperation agreement. I'm not asking for any relief,  
19 I'm just asking that the government take a look tonight at that  
20 testimony, because I think it's -- at bottom, it's pretty  
21 damning.

22 THE COURT: Okay. Anything else from the government  
23 on that?

24 MR. BELL: I can only add okay of my own, your Honor.

25 THE COURT: All right. Is there anything else that we

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1 need to discuss today, counsel?

2 MR. BELL: No, your Honor.

3 MR. SCHECHTMAN: No, your Honor.

4 MR. MAZUREK: No, your Honor.

5 THE COURT: Okay. I will see everyone here. Let's  
6 get everyone here at ten minutes to nine in the morning. Can I  
7 get a sense -- I will give you plenty of scope with this  
8 witness, counsel, do you have a sense to whether or not you  
9 will be finished with this witness tomorrow?

10 MR. MAZUREK: I will try to do all my cross tomorrow.

11 THE COURT: Okay, see you then.

12 (Adjourned to October 31, at 9:00 a.m.)  
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